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In 2 Sections—Section 1

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

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OUR REPORTER'S REPORT

Success of a number of recent stock offerings, including a run of secondary marketing operations, this week provided evidence of the fact that there is money around awaiting investment opportunities.

Doubtless the sustained dearth in new corporate bond issues is turning individuals and others with available funds toward equities.

Although a relatively small undertaking for the bankers involved, the marketing of Burlington Mills Corporation's 65,000 shares of 5% cumulative preferred stock of $100 par value, was noted as a straw in the wind.

With the price for this issue, fixed by amendment of its registration statement, at $104.50 a share dealers reported a demand which foreshadowed heavy oversubscription and the likelihood of allotment.

Meanwhile the Street reported several other sizeable blocks placed via the secondary offering route. A block of 3,000 shares of Merck & Company common was snapped up within a matter of minutes.

And it required but a few hours for another banking group to dispose of a block of 75,000 shares of Commercial Solvents Corporation.

Another sizeable secondary, involving 40,000 shares of Standard Oil Company of New Jersey, though it did not move as rapidly as those previously mentioned,

(Continued on page 836)

Program To Salvage Fiscal And Monetary Solvency

By DR. WALTER E. SPAHR

Professor of Economics, New York University; Executive Secretary, Economists' National Committee on Monetary Policy

The trend of events makes it reasonably certain that by the time we reach the end of this war our fiscal and monetary affairs will be sad to contemplate.

Dr. Walter E. Spahr

The important things to do are (1) to minimize the evils and dangers we shall face, and (2) to adopt the best possible solutions to the problems we cannot escape.

Efforts to prevent unnecessary fiscal and monetary evils and to provide the proper way out in the end can be made successful if all of us, to the best of our ability, will pursue the following four-point program:

1. Give all possible aid to those who are trying to reduce and eliminate non-essential governmental expenditures.
2. Fight all those sponsors of bigger and better programs of government expenditures, deficits, and debts, as we have seen them during the last decade, and all those who argue the virtues of such policies.
3. Fight greenbackism and currency depreciation in all its forms.
4. Urge a permanent national debt as the ultimate solution to the debt problem which we shall face at the close of this war.

The alternatives to this four-point program are things to be feared and fought.

One of these alternatives is a radical devaluation of our dollar. It seems reasonably clear that a drive will be made for such a devaluation, and it is possible that such a program may be slipped over on the American people so quickly that they will not be able to understand its terrible implications before it is too late. A very large proportion of the American people has not yet learned the nature and significance of the devaluation of 1934, and we can be almost certain that they would not be able to see how the effects of this devaluation would differ from those following a radical

(Continued on page 836)

20% Withholding Tax On Wages Favored As Part Of Pay-Go Plan

The House Ways and Means sub-committee charged with drafting pay-as-you-go tax legislation tentatively approved on March 1 a plan to withhold 20% of taxable income from pay envelopes, beginning July 1.

This would not be a new or additional tax but the withholdings, to be made weekly, semi-monthly or monthly, would be accumulated and applied against taxes to be computed at the year-end. Under the plan, all taxpayers would pay their first two installments of 1942 income taxes, due March 15 and June 15.

In announcing the withholding decision, Representative Cooper (Dem., Tenn.), Chairman of the sub-committee, issued this statement:

"It has been tentatively agreed by the sub-committee to provide, beginning July 1, 1943, a withholding tax of 20%—3% on wages and salaries above exemptions of $624 like the Victory tax, plus 17% on wages and salaries above regular income tax exemptions of $500 for single and $1,200 for married persons plus $350 for each dependent, increased by 10% to allow for deductions. This would apply to wages and salaries."

Mr. Cooper estimated this would put approximately 70% of the nation's 44,000,000 Federal income taxpayers on a current collection system.

As to the pay-as-you-go proposals, the sub-committee laid aside consideration of a compromise plan on Feb. 27, after a week's study, in an effort to dispose of the withholding phase.

Regarding the withholding tax plan, the Associated Press reported the following:

The withholding system would have the effect of cancelling further collection after July 1 of the 40% of the present Victory tax which now amounts to a loan to the Government and is later refundable to the taxpayer.

On the basis of the exemptions set forth in the Committee statement, the 17% is calculated to yield approximately the same amount as the 6% normal and 13% first bracket surtax under the exemptions in the law. The withholding levy substitutes a blanket percentage exemption instead of the usual deductions for various contributions to charity, interest payments, etc., for the sake of simplicity.

The Treasury will draft instructions and tables whereby employers at a glance may tell what each employee owes under the withholding levy, weekly, semi-monthly or monthly.

Mr. Cooper emphasized that taxpayers under the withholding plan would have to make out their usual income tax returns at the year-end. If more had been held

Continued on page 837

INDEX

Page
Bank and Insurance Stocks.........830
Calendar of New Security Flotations.838
Canadian Securities 834
Dealer Briefs 827
Investment Trusts 831
Municipal News and Notes..........832
Our Reporter On Governments......840
Our Reporter's Report.............825
Personnel Items 828
Railroad Securities 829
Real Estate Securities.............828
Securities Salesman's Corner........831
Tomorrow's Markets—Walter Whyte Says 829
Uptown After 3....................837

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C. L. Finger, Et Al With Milwaukee Co.

ST. PAUL, MINN.—Clarence L. Finger, Karl D. Arnold and Theodore W. Pelton have become associated with the newly opened office of The Milwaukee Company, in the Endicott Building. Mr. Finger will be resident manager of the office. All were formerly with the Wells-Dickey Company of which Mr. Finger was Vice-President.

Opening of the St. Paul office of the Milwaukee Company was previously reported in the "Financial Chronicle" of Feb. 18.

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Boren Excoriates Bureaucrats As Burlesquing War Effort In Address At N. Y. Municipal Club

Speaking before the Municipal Bond Club of New York representative Lyle H. Boren (Democrat of Oklahoma) declared that some governmental bureaus, such as the WPB are "making a burlesque out of the war effort" and the government itself has gone "bureaucrazy."

"The term 'bureaucrat' is a term of scorn and the bureaucrats have proven themselves tyrants," he said, adding that "the bureaus are full of men who never had to stand for election, and thus are responsible to no one. We've got to make it unpopular to be a bureaucrat."

"More laws and rules are being made by bureaucrats" today, than by elected legislators, Mr. Boren charged. Referring to the Securities and Exchange Commission, he declared that Congress would do something about a number of matters concerning that agency.

The Department of Agriculture was also attacked by Mr. Boren who asserted "It is a good example of our Government agencies. It has made every farmer a prisoner. The farmer has been oppressed, cheated and plundered."

Mr. Boren also declared that "too few people know enough about Congress" and intimated that there was a "deliberate attempt" afoot to "separate Congress from the people."

McDonald-Moore & Co. Is Formed In Detroit

DETROIT, MICH. — Harry A. McDonald and William Moore announce the formation of McDonald-Moore & Co., a co-partnership, to conduct a general securities business. Offices of the new firm, which is successor to McDonald, Moore & Hayes, Inc., will be located in the Penobscot Building in Detroit and in the Michigan National Bank Building in Grand Rapids.

Griffith Heads Stroud Branch In Pittsburgh

PITTSBURGH, PA.—Stroud & Co., Inc., announce the opening of a new office in the Union Trust Building, under the management of Leo G. Griffith. Mr. Griffith was formerly local manager for Merrill Lynch, Pierce, Fenner & Beane and its predecessors for many years.

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Van Alstyne, Noel Are NYSE Members; Tenney Admitted To Firm

Van Alstyne, Noel & Co., 52 Wall Street, New York City, announce that the firm has become a member of the New York Stock Exchange through the admission of Harral S. Tenney, Jr., as a general partner in the firm.

Van Alstyne, Noel was formed in July, 1932 and has been engaged in a general underwriting business. The firm has also been active in the private financing of mining properties and industrials.

Charles W. Christensen has joined the firm as head of the statistical department. Mr. Christensen in the past was with T. L. Watson & Co. and Hoppin Bros. & Co.

General partners of the firm are:

David Van Alstyne, Jr., Richard C. Noel, Edward L. Elliott, Harral S. Tenney, Jr., J. J. Hindon Hyde, L. Richard Kinnard, and Harold K. Young.

That Van Alstyne, Noel & Co. would become New York Stock Exchange members was previously reported in the "Financial Chronicle" of Feb. 11.

Cannon Trading Mgr. For Syle & Company

Frank Y. Cannon is now associated with Syle and Company, 19 Rector Street, New York City in charge of their trading department.

Mr. Cannon was for some years a partner in the firm of J. K. Rice. Jr. & Co. and has also served as Vice-President and a member of the Board of Governors of the New York Security Dealers Association.

Toll Bridge Earnings

An interesting tabulation of gross earnings of various toll bridges for 1941 and 1942, compared with Engineer's Estimates, has been prepared for distribution by Stifel, Nicolaus & Co., Inc., 105 West Adams St., Chicago, Ill. Copies of this tabulation may be had upon request from Stifel, Nicolaus & Co.

Meritorious Situations Of Interest To Dealers

The trading department of Wertheim & Co., in charge of John D. Rocamora, has prepared a four-page circular on a number of securities which they feel should be of particular interest to dealers seeking meritorious situations for distribution. A sketch and reference to current developments pertaining to the following companies appear in the circular: Long Bell Lumber Co., H. H. Robertson Co., Trico Products Corp., Marathon Paper Mills, Associated Electric 5s of 1961, Associated Gas & Electric Corp. income debentures of 1978 and convertible debentures of 1973. Copies of the circular may be had by dealers interested in securing the same by writing to Wertheim & Co., 120 Broadway, New York City, members of the New York Stock Exchange.

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John B. Carroll Co. Active In Business

It was reported in error in the February, 1943, Edition of "Security Dealers of North America" that the firm of John B. Carroll & Co., 24 Commerce Street, Newark, N. J., was discontinuing business for the duration of the war. Such is not the case as the firm is still active from Newark, although the New York office has been closed for the duration.

Chesapeake & Ohio Ry. Outlook Interesting

The research department of Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York City, members of the New York Stock Exchange and other leading exchanges, has just completed a study of Chesapeake & Ohio Railway Co. embracing type and volume of traffic, competition, operating efficiency, earnings and dividend record, taxes, capitalization and debt reduction, and post-war outlook. Copies of this interesting study may be had from Merrill Lynch, Pierce, Fenner & Beane upon request. Ask for Bulletin C.

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Firm Name Is Now Mallory, Hollister

The firm name of Pyne, Kendall & Hollister-Reynolds, Fish & Co. effective March 1 has been changed to Mallory, Hollister & Co., the business having been originally established in 1909.

On May 1, 1942 the business of Pyne, Kendall & Hollister was merged with Reynolds, Fish & Co. with the main offices of the firm at 120 Broadway, their present location. Branch offices are maintained at 522 Fifth Avenue, New York and in Montclair, N. J.

General partners are: Charles H. Mallory; Buell Hollister; George T. Adee; Albert W. Bianchi; Paul W. Havener; Ernest L. Jones; F. Malcolm Minor and William L. Strong, Jr., George C. Astarita having retired.

Limited partners are: Stanley W. Burke; Henry E. Coe, Jr.; and Robert E. Strawbridge, Jr.

The firm has two memberships on the New York Stock Exchange and membership on the New York Curb Exchange.

Interesting Situations

Hill, Thompson & Co., Inc., 120 Broadway, New York City, have prepared for distribution interesting memoranda on American Business Credit Corporation and Quaker City Cold Storage Co. 5s of 1953, copies of which may be had from the firm upon request.

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The change in trend of public opinion, as revealed in the November elections and later reflected in Congress, has influenced investors greatly. There is more confidence that municipal bonds will remain tax exempt and that corporation taxes will not be permitted to become confiscatory. As a result there is a firmer floor under prices of municipal and corporation securities. I find buyers more attentive to the prospects of inflation with many looking for sound equities as a hedge.—*Stacy C. Mosser, President S. C. Mosser & Company, Inc.*

In the past thirty days we have experienced the largest public demand in years for unlisted moderate priced industrial, utility and real estate securities, and for investment trust issues.

It has also been quite noticeable to us during the last month of constantly rising markets that investors have been selling very few of their unlisted securities. So far, this has worked out advantageously for them. However, if a corrective reaction occurs in the market, many investors will have missed their opportunity to dispose of holdings at the most attractive levels in several years, unless such action is taken in the meantime.

Many such people have been waiting for years for a rise such as this in which to dispose of holdings, but will not take positive action on their own initiative.

We feel that suggestions by dealers along these lines might not be amiss, and would also serve to stimulate transactions. — *Lowell Niebuhr, President, Lowell Niebuhr & Co., Inc.*

Arthur Wiesenberger Adds Ernst Wolfgang

Arthur Wiesenberger & Co., 56 Beaver Street, New York City, announce that Ernst Wolfgang is now associated with their firm. Mr. Wolfgang was formerly manager of the investment department of F. M. Mayer.

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Schram Asks NYSE Members For Views On Admitting Corporations To Exch. Membership

Emil Schram, President of the New York Stock Exchange, sent a letter last week to members setting forth the principal arguments that have been advanced on the questions relating to the advisability of admitting to Exchange membership corporations engaged mainly in the securities business, as brokers, dealers or underwriters.

This matter has been under consideration by the Board of Governors for some time but Mr. Schram said no conclusions have been reached and the question is still open for full discussion. He called on members for their "fullest and freest expression of opinion," adding that their views "will be given careful attention and will be of definite assistance to the Board."

From Mr. Schram's letter, we quote:

"May I point out that the question uppermost in the minds of your Governors, as I am sure it is in the minds of the general membership, is whether the admission of corporations that meet definite qualifications would enable us better to serve the public and, at the same time, improve the over-all position of our business. We must keep the Exchange in a progressive trend, but only by means of such measures as are sound and meritorious.

"Under the member corporation plan most widely advocated, an applicant corporation would, of course, have to conform to the Exchange's present philosophy and policies with respect to member firms, particularly as they relate to supervision, ownership, capital structure and business conduct. Only such companies as met or adapted themselves to our policies and supervision could quality for admission. Banks, investment trusts and insurance companies obviously would be ineligible because their business is not mainly that of brokers, dealers or underwriters.

"Directors and principal officers of a qualifying corporation would be the stockholders and contributors of capital; they would be members or allied members of the Exchange. They would, in effect, correspond to the general partners of a member firm. Preferred stockholders would correspond to the limited partners of a member firm.

"Companies thus organized would be subjected to the same rules as are imposed upon member firms. Member corporations would be required to observe the

Continued on page 834

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Situation Looks Good For California Issues

Kaiser & Co. have just issued an attractive memorandum discussing amortization of bond premiums in the State of California, the financial situation of the State, and the current situation in Imperial Irrigation District, the electric system of which has developed rapidly since its beginning in 1938. Copies of this interesting memorandum may be obtained from Kaiser & Co., Russ Building, San Francisco, or from their New York office at 25 Broad Street.

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H. A. Tremaine To Be Hicks & Price Partner

CHICAGO, ILL.—Harry A. Tremaine will be admitted to partnership in Hicks & Price, 231 South La Salle Street, members of the New York and Chicago Stock Exchanges. Mr. Tremaine has been with the firm for some time.

St. Petersburg, Fla. Issues Attractive

The current situation in the refunding bonds of the City of St. Petersburg, Fla., offers interesting possibilities according to a memorandum summarizing the financial statement of the city which has been prepared by the Southern Municipal Department of Allen & Co., 30 Broad St., New York City. Copies of this circular are available from Allen & Co. upon request.

Harry A. McDonald & William Moore
announce the formation of
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Detroit, Michigan

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Grand Rapids, Michigan

Successor to
McDONALD, MOORE & HAYES, INC.
Effective March 1, 1943

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BOSTON, MASS.—**Thomas H. Lyons** has joined the staff of **Trust Funds, Inc.**, 89 Broad St. In the past Mr. Lyons was with Draper, Williams & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Frank S. Puller** has become associated with **Holley, Dayton & Gernon**, 208 So. La Salle St. Mr. Puller was formerly with Alfred O'Gara & Co., and prior thereto with MacFarlane & Holley.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—**David G. Callahan** is now with **Merrill Lynch, Pierce, Fenner & Beane,** 216 Superior Ave., N. E. Mr. Callahan was previously with Otis & Co. for many years.

(Special to The Financial Chronicle)

DULUTH, MINN.—**Alonzo W. Wilson,** formerly local manager for the Wells-Dickey Co., has become affiliated with **J. M. Dain & Co.,** Rand Tower, Minneapolis, Minn.

(Special to The Financial Chronicle)

MIAMI BEACH, FLA.—**Robert U. Alexander** has become affiliated with **Blair F. Claybaugh & Co.,** 420 Lincoln Road. Mr. Alexander was formerly with Corrigan, Miller & Co.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN.—**Norman A. McClure** has become associated with **Central Republic Co.,** Rand Tower. Mr. McClure was previously with Wells-Dickey Co. for many years.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN. — **Charles R. Bennett** and **Maynard W. Rue** have become connected with **J. M. Dain & Co.,** Rand Tower. Both were previously with Wells-Dickey Co.

(Special to The Financial Chronicle)

PASADENA, CALIF. — **Marion B. Mercier** is now with the **Leo G. MacLaughlin Co.,** 54 South Los Robles Ave.

(Special to The Financial Chronicle)

ST. PAUL, MINN.—**Joseph P. O'Grady** and **Mortimer H. Stanford** are associated with **Caldwell, Phillips Co.,** First National Bank Building. Both were previously connected with Wells-Dickey Co.

Hughes & Treat Is Formed In New York

Following the dissolution of the partnership of Baker, Hughes & Treat, Andrew John Hughes and Amos Sherman Treat announce the formation of Hughes & Treat to conduct a general investment securities business from offices at 40 Wall Street, New York City.

Now Major William Martin

William McChesney Martin, former President of the New York Stock Exchange, has been promoted to major. He is assigned to Services of Supply, American Group Headquarters. Major Martin resigned his post as President of the New York Stock Exchange in 1941, entering the Army as a private.

Old Ben Coal Clears All Arrears On 1st 6s

CORRECTION

In the news item carried in the "Chronicle" of Feb. 25 on Old Ben Coal Corp., the statement was made that the payment of back interest on the first mortgage 6s removed restrictions against the company's purchase of their Debentures. In checking the mortgage indenture it develops that as long as any First Mortgage 6s remain outstanding the company is prohibited from using its current assets, its earnings or its surplus for the purchase of its Debentures.

Announcement

WE TAKE PLEASURE IN ANNOUNCING THAT

MR. ALEXANDER WILSON

FORMERLY EXECUTIVE MANAGER OF THE FINANCIAL
PRESS OF N. Y., PUBLISHERS OF
"The Investor's Pocket Manual"

HAS BECOME IDENTIFIED WITH OUR ORGANIZATION
AS ASSISTANT TO THE PUBLISHER

The COMMERCIAL and FINANCIAL CHRONICLE

Hearst-Brisbane Properties 6s, 1942
A potential liquidating situation

Information on request

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REAL ESTATE SECURITIES

An Outstanding Commercial Building Bond With Good Possibilities

Many Tacticians in real estate securities prefer bonds of a commercial property. Their theory is very simple. A tenant might very well have to economize on the rental of his apartment because of an increase in his personal taxes, or for other reasons. However, if he wishes to remain in business, he must continue to maintain his office or showroom.

An outstanding commercial property on which first mortgage bonds are publicly held, is the Textile Building. This property occupies the entire block front of Fifth Avenue from 30th to 31st Street, New York City. It is improved with a 16-story store, loft and office building. The land fronts 164 feet on East 30th Street, 197 feet on Fifth Avenue and 200 feet on East 31st Street. The ground area is about 36,000 square feet and the building has a rental area of about 450,000 square feet.

The first mortgage bonds of this property are currently selling at approximately 27%, placing a value on the entire mortgage of only $1,850,175, while the City of New York places a value on the property of $4,900,000, according to their assessment for 1942. First mortgage bonds outstanding are $6,852,500, compared with $9,750,000 first and second mortgage bonds originally issued.

According to a statement issued by the company, dated Feb. 10, 1943, earnings of this property for the fiscal year ended Oct. 31, 1942, showed a substantial improvement over the same period the previous year.

Gross income improved and operating expenses were lower. Net profit (after deduction of accrued expenses) was over four times greater than the previous year.

An even better showing might be anticipated for the current year, inasmuch as a six-year lease for the corner store and second floor to the National Silver Company, at an annual rental of $55,000 did not commence until Feb. 1, 1942. Full benefit of this lease did not show in the last statement, which only covered nine months of this particular lease. We were also advised by a representative of the owner, that he expects a large reduction in "repair expense" this coming year.

Interest on these bonds was originally fixed at 6%. Under a plan of reorganization, approved in the Federal Courts June 9, 1936, under which the owner was operating, the company paid interest on the bonds at the rate of 3% for the three years from Nov. 1, 1934 to Nov. 1, 1937 and 4% from Nov. 1, 1937 to Nov. 1, 1940. Beginning on this latter date and until the maturity of the bonds in 1958, interest was fixed at 5%.

Because the earnings of the building were not sufficient to pay this higher rate of interest, the owners, in the early part of 1941, asked the bondholders for an adjustment in interest rate.

Briefly, their plan is as follows: As an inducement for the bondholders to accept their plan, they will give them half of the ownership of the property.

Retroactive to Nov. 1, 1940, interest shall be fixed at 3% with 2% additional if earned. All additional net earnings to be applied toward reduction of outstanding bonds to $6,000,000, then one-half of net earnings so applied until outstanding principal reduced to $5,000,000.

During 1941 the bondholders were paid 5% interest and in 1942 they were paid 1% interest; the total of both years averaging 3% in conformity with the above plan.

In January of 1943 proceedings were commenced in the Supreme Court of the State of New York to effect a reorganization.

The owner, in a communication dated Dec. 18, 1942, stated that 63% of the bondholders had approved the above plan of reorganization. With such a large assent to the plan, it would seem as if reorganization proceedings should be accelerated. However, there is a bondholders' committee opposing the ownership plan, who claims to represent $1,475,000, or approximataely 22% of the bonds.

TRADING MARKETS IN
REAL ESTATE SECURITIES
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McClure And Shaw Is Formed In Hartford

HARTFORD, CONN.—The firm of McClure & Shaw has been formed with offices at 15 Lewis Street to deal in general investment securities. Partners of the new organization are Alfred James McClure and John H. Shaw. Both were formerly associated with Bodell & Co., Inc., of which Mr. McClure was First Vice-President.

Verner & Schlenzig With Merrill Lynch

(Special to The Financial Chronicle)

DENVER, COLO. — Ogden E. Verner and Ernest G. Schlenzig have become associated with Merrill Lynch, Pierce, Fenner & Beane, First National Bank Building. Mr. Verner was formerly an officer of Brown, Schlessman, Owen & Company, with which Mr. Schlenzig was also connected.

Tomorrow's Markets Walter Whyte Says——

Volume plus advancing markets no longer significant. Cash markets do not remove reaction dangers; they intensify them. News may crack prices badly. Raise 'stops' again.

By WALTER WHYTE

As a market observer watching markets go and come for the past 17 years I have been trained to look at market action as the answer to everything that may affect it; a sort of Alpha to Omega. Let any news, good or bad, occur anywhere in the world and the market in its own way would anticipate and interpret it before the news itself became public property. In the old days this belief was not far fetched. People with money having access to world money and security markets did know more in the aggregate than an isolated individual in a New York skyscraper poring over a tape or huddled over complicated statistics.

* * *

But if a tape reader didn't know what has happening say in Burma he could read in the tape what people who did know were doing. If he chose to follow what he saw he sometimes made money.

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Reasons seldom concerned him. It was results that counted. Then chart readers sprang up.

* * *

In the boom years of the late twenties, their number became legion. Every chart reader had a theory of his own. Talk of double tops and double bottoms, line cuts and breakaway gaps became as common in brokerage offices as ticker tape thrown out of windows at visiting celebrities. Of course the statisticians were always around. Some called themselves analysts, others assumed the grandiose title of economists. But whatever their titles they had two things in common—their interest in the market, more specifically, its future, plus a wholehearted contempt for each other's methods in forecasting it. The real tape reader believed only the tape could tell the story. The chart reader insisted only lines on a chart had any

Continued on page 837

Old
Common & Preferred Stocks
of
CHICAGO & NORTHWESTERN RAILWAY
CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD
CHICAGO, ROCK ISLAND & PACIFIC RAILWAY C/D
MISSOURI PACIFIC RAILROAD
WESTERN PACIFIC RAILROAD CORP.
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Our Research Department has just completed a study on Chesapeake & Ohio Railway Company and presents its findings on

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- competition
- operating efficiency
- earnings and dividend record
- taxes
- capitalization and debt reductions
- post-war outlook

Send for copy of this interesting study, without cost or obligation. Ask for Bulletin C.

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Defaulted Railroad Bonds

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

If it can be held that earnings conditions and prospects warrant the present prices for stocks of solvent carriers, and that the general run of reorganization bonds representing new common stocks are not very sharply over-priced (both of which appear as reasonable contentions) then it is obvious that Chicago, Milwaukee, St. Paul & Pacific Adjustment 5s, 2000 are far behind the market. This issue represents the new common stock of the St. Paul under the plan which is now (at least at the time of this writing) before the Supreme Court. It is proposed that the bonds be allocated 9.78 shares of the new common with respect to each $1,000 bond, with over 80% of the entire common stock issue allocated to holders of the bonds.

The recent price of the bonds indicates a value of less than $7.00 a share for the new common. Such a price for the equity of a reorganized company would appear ridiculously low at a time, and in a market, when such stocks as Baltimore & Ohio preferred and Missouri - Kansas-Texas preferred sell around 9½ and 7½, respectively, with no prospect of dividends under virtually any visualizable circumstances and where post-war solvency is, to say the least, still a moot question.

More striking even than this disparity with the stocks of solvent roads is the price relationship between St. Paul Adjustment 5s and other reorganization securities whose proposed participation in reorganization is through new common stocks. In most instances the stock allocation is smaller than that proposed for the St. Paul issue. The list below shows the proposed allocation of new common stocks to a number of representative junior bonds of bankruptcy roads, and the current selling price of the bonds. These allocations are those proposed in plans now before the various courts, just as the St. Paul plan is. The North Western plan has been approved by the Circuit Court of Appeals, the Missouri Pacific plan, including the International-Great Northern, has been approved by the District Court, and District Court action on the Rock Island plan has been postponed pending the Supreme Court decision on the St. Paul case. Both the North Western and Missouri Pacific plans are on appeal.

	New Com. Stks.	Present Price of Bonds
Chicago & North Western convert. 4¾s, 1949	6.34 Shrs.	7
Chic., Rock Island & Pacific conv. 4½s, 1960	3.00	8⅛
Inter'l-Great North. adj. 6s, 1952	5.18	13
Missouri Pac. gen. 4s, 1975	7.49	16
Missouri Pac. conv. 5½s, 1949	2.42	9½

In large measure the present prices for the Missouri Pacific, International-Great Northern and Rock Island issues are predicated on the theory that the present plans will be turned back to the Interstate Commerce Commission and more favorable plans negotiated. In fact, it is believed that considerable progress has already been made by various bond holders' groups in working out compromise reorganization plans. The main point is that conditions have changed materially since the plans were first promulgated, and that utilization of the large cash balances that have since accumulated, for the reduction of various senior claims, will allow more liberal participation of the remaining, junior, securities.

If it is possible to bring about a revision of the Missouri Pacific and Rock Island plans on the basis of altered circumstances and mounting cash resources, it should be just as feasible to effect a change for the better in the St. Paul plan. Of course, if the Circuit Court of Appeals is upheld by the Supreme Court, remanding the St. Paul plan back to the Commission, such a liberalization could almost be taken for granted. St. Paul as well as the other carriers has now reached a strong financial position by virtue of which it would be possible to reduce the claims against the trust estate.

Cash items as of the end of 1942 stood at practically $60,000,000, up more than $20,000,000 from a year earlier, in addition to which receivables of $12,495,673 were more than double those on Dec. 31, 1941. It is not likely that the St. Paul Adjustments will permanently ignore the potentialities of a plan revision, when such potentialities are being so liberally discounted by practically all similarly situated reorganization issues.

We recommend dealers' consideration, at this time, of all issues of

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Minn. & St. Louis New 2nd 4s, W.I.
Minneapolis & St. Louis 6s 1932
Minneapolis & St. Louis 5s 1934
Minneapolis & St. Louis 4s 1949
Minneapolis & St. Louis 5s 1962
Iowa Central 5s 1938
Iowa Central 4s 1951
Des Moines & Fort Dodge 4s 1935

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AMERICAN MADE MARKETS IN CANADIAN SECURITIES

CANADIAN WESTERN MUNICIPALS

CANADIAN BONDS
Abitibi Power & Paper 5s, 1953
Aldred Investment 4½s, 1967
Algoma Cent. Hud. Bay 5s, 1959
Brown Company 5s, 1959
Calgary Power 5s, 1960
Canada North'n Power 5s, 1953
Canadian Int'l Paper 6s, 1949
Canadian Pac. Ry. (var. issues)
Canadian Utilities 5s, 1955
Consol. Paper Co. 5½s, 1961
Dominion Gas & Elec. 6½s, '45
Gatineau Power 3¾s, 1969-B
Gatineau Power 5s, 1949
Internat'l Hydro Elec. 6s, 1944
Internat'l Pow. & P., N.F. 5s, '68
Minn. & Ontario Paper 5s, 1960
Mont. Lt. Ht. & Pr. 3½s, '56-73
Quebec Power 4s, 1962
Shawinigan Wtr. & Pow. 4s, '61

CANADIAN STOCKS
Abitibi Pwr. & Pap. com. & pfd.
Algoma Steel Corp. com. & pfd.
Andian Nat'l Corp. Ltd.
Asbestos Corp. Ltd.
Bell Tel. Co. of Canada
Brown Company com. & pfd.
Bulolo Gold Dredging
Canadian Bank Stocks
Canadian Indus. A. B. & pfd.
Canadian Investment Fund
Canadian Pacific Railway
Crow's Nest Pass Coal Co., Ltd.
Distillers Seagrams Ltd.
Electrolux Corp.
Fanny Farmer Ltd.
Halifax Insurance Co.
Imperial Oil Ltd.
Kerr Addison Gold Mines, Ltd.
Lake Shore Mines
Loblaw Groceterias, Inc.
Minnesota & Ontario Pap. com.
Montreal Refrig. & Stor. Ltd.
Moore Corporation Ltd.
Noranda Mines Ltd.
Pend Orielle Mines
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Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—47⅞; low—14¾; March 3 price—47⅝.

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(L. A. Gibbs, Manager Trading Department)

Bank and Insurance Stocks

This Week — Insurance Stocks

By E. A. VAN DEUSEN

Annual reports of fire and casualty insurance companies are now being filed with state insurance departments and year-end balance sheets are appearing in the press. So far figures available are not adequate to be wholly representative, but they are sufficient to indicate the general pattern of last year's operating results. A more complete picture can be presented later in the month.

According to tabulations compiled by the Alfred M. Best organization, the first 21 casualty companies to file their annual statements showed a gain of 12% in premium income, while policyholders' surplus increased more than 5% and total assets were up 8%. Incurred loss ratio moved up about one point to 52.7% and expenses were up fractionally to 40.6%, resulting in a combined loss and expense ratio of 93.3% compared with 91.4% in 1941. Figures of important units of the group whose stocks are quoted in leading newspapers are as follows:

	*Net Premiums Written		*Unearned Premiums		*Surplus	
	1941	1942	1941	1942	1941	1942
Aetna Casualty	$44,525	$49,631	$42,955	$46,885	$24,688	$24,020
Fidelity & Deposit	10,778	11,296	10,523	10,733	12,144	12,947
Hartford Steam Boiler	7,729	7,621	5,909	6.733	7.098	7.044

	Net Earnings per Share			
	Net Underwritings		Net Investment Income	
	1941	1942	1941	1942
Aetna Casualty	$11.35	$9.60	$5.97	$5.51
Fidelity & Deposit	13.72	12.08	4.69	5.03
Hartford Steam Boiler	1.19	0.02	2.57	2.60

*(000) omitted.

It will be noted that in all three cases net underwriting profits, after adjustments for stockholders' equity in premium reserves, were lower than in 1941, while net investment income was slightly better in two instances but approximately 7.7% lower in the case of Aetna Casualty.

In the fire group, operating results are available for six companies whose stocks are generally quoted and are more or less actively traded, as follows:

	*Net Premiums Written		Liquid Value		Earnings Per Share Net Underwritings		Net Investment Income	
	1941	1942	1941	1942	1941	1942	1941	1942
Aetna	$28,452	$29,865	$53.58	$53.31	$0.66	—$0.48	$1.92	$1.91
Automobile	17,020	18,551	39.24	39.77	2.17	1.27	1.75	1.61
Bankers & Shippers	4,450	3,666	99.34	106.18	—1.61	—0.58	6.35	5.90
Fire Association	13.012	11,876	72.88	74.89	—0.74	—1.75	4.06	4.09
Pacific	5,017	4,051	127.54	134.65	1.79	0.20	7.23	6.65
Springfield	16,009	18,046	125.59	128.41	3.49	3.57	5.44	4.81

*(000) omitted.

With the exception of Bankers & Shippers and Springfield Fire & Marine, these companies show underwriting results for 1942 substantially below those of 1941. In the case of Bankers & Shippers, however, the betterment consists merely of a lower underwriting loss. Springfield Fire and Marine, despite its name, wrote very little ocean marine business, but a higher than average percentage of fire, which was profitable. All the other companies wrote a relatively low percentage of fire business, but a comparatively high percentage of ocean marine and/or motor vehicle, which serves to explain their disappointing experience. Three of the companies show an increase in premium volume and three a decrease. The increases, presumably, were in fire writings.

As regards important items from year-end balance sheets, a considerably greater coverage of leading fire insurance companies is possible, as follows:

	*Surplus		*Unearned Premium Reserves	
	1941	1942	1941	1942
Aetna	$23,288	$23,265	$23,495	$23,047
Agricultural	3,847	3,664	6,970	7,066
Automobile	9,733	9,922	12,220	12,403
Bankers & Shippers	1,416	1,887	3,894	3,399
Continental	60,205	64,254	23,408	23,667
Fidelity-Phoenix	47,260	50,371	17,227	18,270
Fire Association	8,091	9,107	11,213	9,677
Great American	21,996	22,619	15,199	16,350
Hartford	67,712	69,895	38,232	39,277
Home	36,290	39,304	59,241	49,708
National	25,530	26,016	17,821	18,123
Pacific	2,336	2,823	4,414	3,907
Providence-Washington	5,727	5,572	5,494	5,744
St. Paul Fire & Marine	24,279	26,922	11.524	11,575
Security	4,728	4,703	5,033	5,412
Springfield F. & M.	14,210	14,636	14,768	16,182
United States Fire	18,726	17,936	11,955	12,476
Westchester	8,630	7,845	6,747	6,908
Total	$384,004	$400,741	$288,855	$283,191

*(000) omitted.

Six of the above 18 companies show a decline in surplus. In most instances this decline is attributable to an expansion in premium volume which necessitated a transfer of funds from surplus to unearned premium reserves.

Unearned premium reserves show substantial expansion, except in the case of Aetna, Bankers & Shippers, Fire Association, Home and Pacific, which show declines. These five companies, however, formerly had large premium reserves in either the ocean marine or motor vehicle categories, or both, and the drop in these reserves reflects the sharp curtailment of business in these two classes of risks. An outstanding example is Home Insurance, which was exceptionally heavy in automobile insurance, and whose unearned premium reserves show a drop of approximately $9,500,000; while surplus increased approximately $3,000,000, equivalent to 31.5% of the $9,500,000.

For the entire group of 18 companies, surplus funds show an aggregate growth of $16,737,000 or 4.36%, while unearned premium reserves show an aggregate de-

Continued on page 836

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Paid-Up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Prop.	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1941	£150,939,354

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DIVIDEND NOTICE

GUARANTY TRUST COMPANY OF NEW YORK

New York, March 3, 1943.

The Board of Directors has declared a quarterly dividend of Three Per Cent. on the Capital Stock of this Company for the quarter ending March 31, 1943, payable on April 1, 1943, to stockholders of record March 12, 1943.

MATTHEW T. MURRAY, JR., Secretary.

DIVIDEND NOTICES

AMERICAN BANK NOTE COMPANY

Preferred Dividend No. 148
Common Dividend No. 132

A quarterly dividend of 75¢ per share (1½%) on the Preferred Stock for the quarter ending March 31, 1943, and a dividend of 15¢ per share on the Common Stock have been declared. Both dividends are payable April 1, 1943, to holders of record March 11, 1943. The stock transfer books will remain open.

J. P. TREADWELL, JR.
February 15, 1943 *Secretary*

American Locomotive Company
30 CHURCH STREET
NEW YORK, N. Y.

Preferred Dividend No. 139

A dividend on the Preferred Capital Stock of this Company of $1.75 per share on account of accumulated dividends has been declared payable March 23, 1943, to the holders of record of said stock at the close of business on March 9, 1943.

Transfer books will not be closed. Checks will be mailed by the Bankers Trust Company on March 22, 1943.

JOHN D. FINN
February 25, 1943 *Secretary*

THE ATLANTIC REFINING CO.

PREFERRED DIVIDEND NUMBER 28

At a meeting of the Board of Directors held February 24, 1943, a dividend of one dollar ($1) per share was declared on the Cumulative Preferred Stock Convertible 4% Series A of the Company, payable May 1, 1943, to stockholders of record at the close of business April 5, 1943. Checks will be mailed.

W. M. O'CONNOR
February 24, 1943 Secretary

AMERICAN MANUFACTURING COMPANY
Noble and West Streets
Brooklyn, New York

The Board of Directors of the American Manufacturing Company has declared the regular quarterly dividend of $1.25 per share on the Preferred Stock and a dividend of 50c per share on the Common Stock of the Company. Both payable April 1, 1943, to stockholders of record March 8, 1943. The stock record books will be closed for the purpose of transfer of stock on March 8 until April 1, 1943.

ROBERT B. BROWN, Treasurer.

DU PONT **E. I. DU PONT DE NEMOURS & COMPANY**

WILMINGTON, DELAWARE: *February 15, 1943*

The Board of Directors has declared this day a dividend of $1.12½ a share on the outstanding Preferred Stock, payable April 24, 1943, to stockholders of record at the close of business on April 9, 1943; also $1.00 a share, as the first "interim" dividend for 1943, on the outstanding Common Stock, payable March 13, 1943, to stockholders of record at the close of business on February 23, 1943.

W. F. RASKOB, *Secretary*

THE ELECTRIC STORAGE BATTERY CO.

Exide BATTERIES

The Directors have declared from the Accumulated Surplus of the Company a dividend of Fifty Cents ($.50) per share on the Common Stock, payable March 31, 1943, to stockholders of record at the close of business on March 10, 1943. Checks will be mailed.

H. C. ALLAN, *Secretary and Treasurer.*
Philadelphia, February 19, 1943.

JERSEY CENTRAL POWER & LIGHT CO
PREFERRED STOCK DIVIDENDS

The Board of Directors has declared the following regular quarterly dividends: The 72nd qtly. div. of $1.75 on the 7% Preferred Stock; the 63rd qtly. div. of $1.50 on the 6% Preferred Stock; and the 47th qtly. div. of $1.37½ on the 5½% Preferred Stock. Payable on April 1, 1943, to stockholders of record at the close of business March 10th.

R. R. BOLLINGER, *Treasurer.*

LOEW'S INCORPORATED
"THEATRES EVERYWHERE"

March 2, 1943

THE Board of Directors on February 26, 1943 declared a dividend at the rate of 50c per share on the outstanding Common Stock of this Company, payable on the 31st day of March 1943 to stockholders of record at the close of business on the 19th day of March 1943. Checks will be mailed.

DAVID BERNSTEIN,
Vice President & Treasurer

DIVIDEND NOTICES

CELANESE
CORPORATION OF AMERICA
180 MADISON AVE. · NEW YORK, N. Y.

THE Board of Directors has this day declared the following dividends:

5% CUMULATIVE SERIES PRIOR PREFERRED STOCK

The regular quarterly dividend for the current quarter of $1.25 per share, payable April 1, 1943 to holders of record at the close of business March 16, 1943.

7% CUMULATIVE SERIES PRIOR PREFERRED STOCK

The regular quarterly dividend for the current quarter of $1.75 per share, payable April 1, 1943 to holders of record at the close of business March 16, 1943.

7% SECOND PREFERRED STOCK

The regular quarterly dividend for the current quarter of $1.75 per share, payable April 1, 1943 to holders of record at the close of business March 16, 1943.

COMMON STOCK

A dividend of 50¢ per share, payable March 31, 1943 to holders of record at the close of business March 16, 1943.

JOHN A. LARKIN,
Vice-Pres. & Sec'y.

March 2, 1943

COMMERCIAL INVESTMENT TRUST CORPORATION

Convertible Preference Stock, $4.25 Series of 1935, Dividend

A quarterly dividend of $1.06¼ on the Convertible Preference Stock, $4.25 Series of 1935, of COMMERCIAL INVESTMENT TRUST CORPORATION has been declared payable April 1, 1943, to stockholders of record at the close of business March 10, 1943. The transfer books will not close. Checks will be mailed.

Common Stock, Dividend

A quarterly dividend of 75 cents per share in cash has been declared on the Common Stock of COMMERCIAL INVESTMENT TRUST CORPORATION, payable April 1, 1943, to stockholders of record at the close of business March 10, 1943. The transfer books will not close. Checks will be mailed.

JOHN I. SNYDER, *Treasurer.*

February 25, 1943.

THE CHESAPEAKE AND OHIO RY. CO.

A dividend for the first quarter of 1943 of one dollar per share on Preference Stock, Series A, and of seventy-five cents per share on $25 par common stock will be paid April 1, 1943, to stockholders of record at close of business March 8, 1943. Transfer books will not close.

H. F. LOHMEYER, *Secretary.*

ANACONDA COPPER MINING CO.
25 Broadway
New York, N. Y., February 25, 1943.
DIVIDEND NO. 139

The Board of Directors of the Anaconda Copper Mining Company has declared a dividend of Fifty Cents (50c) per share upon its Capital Stock of the par value of $50. per share, payable March 29, 1943, to holders of such shares of record at the close of business at 3 o'clock P. M. on March 9, 1943.

JAS. DICKSON, Secretary & Treasurer.

The Borden Company

ANNUAL MEETING

The annual meeting of stockholders will be held on Wednesday, April 21, 1943, at eleven o'clock A.M. (Eastern War Time) at 43 Park Avenue, Flemington, Hunterdon County, New Jersey.

Only stockholders of record at the close of business on Wednesday, March 24, 1943, will be entitled to vote at said meeting, notwithstanding any subsequent transfers of stock.

The stock transfer books will not be closed.

The Borden Company
WALTER H. REBMAN, *Secretary*

MARGAY OIL CORPORATION
DIVIDEND NO. 51

The Board of Directors of the MARGAY OIL CORPORATION has this day declared a dividend of twenty-five cents a share on the outstanding stock of the corporation of the issue of 160,000 shares provided by amendment to the certificate of incorporation of April 27, 1926, payable April 10, 1943, to stockholders of record at the close of business March 24, 1943.

E. D. OLDENBURG, Treasurer.
Tulsa, Oklahoma, March 1, 1943.

Lehman Bros. Offers Burlington Mills Stock

A banking group headed by Lehman Brothers and Kidder, Peabody & Co. on March 3 offered at $104.50 a share plus accrued dividends from March 1, a new issue of 65,000 shares of Burlington Mills Corp. 5% cumulative preferred stock, $100 par. The $6,563,877 to be received by the corporation upon the sale will be used to redeem all of the outstanding cumulative convertible preferred stock, and to reimburse the corporation for the redemption price of 20,548 shares of such stock redeemed on March 1. Any balance remaining is to be added to general working funds.

Following the operation but without giving effect to possible conversions, capitalization will consist of $6,000,000 of 3% promissory notes payable serially, 65,000 shares of the authorized 75,000 shares of 5% cumulative preferred and 665,419 shares of 1,200,000 authorized common shares.

Consolidated net profit after setting aside $1,000,000 for contingencies was $3,372,387 in the fiscal year ended Sept. 26, 1942 as compared with $3,137,654 after a $300,000 contingency allotment in the preceding fiscal year. Net sales have increased rapidly, amounting to $83,096,802 in the fiscal year ended last September, a gain of almost $20,000,000 for the year.

The company states that about 9% of its sales in the 1942 fiscal year went to the armed forces or to direct or indirect use in prosecution of the war. Currently these sales have advanced to about 35% of total production. Orders in this category amounted to about 50% of total unfilled orders on the corporation's books as of Feb. 15.

The corporation is required to set aside annually a sinking fund sufficient to redeem 3% of the maximum number of shares issued, plus 10% of consolidated net earnings in excess of $2,000,000 after certain deductions, the maximum annual sinking fund requirement, however, being limited to 5% of the maximum number of shares issued.

Associated in the public offering are the following: Merrill Lynch, Pierce, Fenner & Beane; R. S. Dickson & Co., Inc.; Wertheim & Co.; A. G. Becker & Co., Inc.; Hallgarten & Co.; Union Securities Corp.; Dean Witter & Co.; Alex. Brown & Sons; Laurence M. Marks & Co.; Mitchum, Tully & Co.; Scott & Stringfellow; Folger, Nolan & Co., Inc.; G. H. Walker & Co.; The Wisconsin Company.

The corporation is engaged directly and through subsidiaries, in manufacturing woven fabrics from rayon yarns and rayon mixtures and, to some extent, from cotton yarns, throwing and dyeing rayon and cotton yarns and dyeing and finishing cloth. Among finished products are draperies, bed spreads, women's full fashioned hosiery, men's hose. The business is integrated from the purchase and throwing of yarns to the finishing of manufactured products and their sale to the consuming trades.

Under a general preference order issued by the War Production Board on Feb. 2, 1943, the corporation and its subsidiaries, in common with certain other producers of textile products, were assigned an AA-2X preference rating to obtain deliveries of maintenance, repair and operating supplies, subject to the conditions of such order. The corporation states that up to the present time it and its subsidiaries have been able to obtain machinery and equipment and materials other than raw silk, sufficient to enable them to maintain satisfactory levels of operation.

The corporation and subsidiaries now operate 44 plants having an aggregate floor area of approximately 3,410,535 square feet. Production machinery includes 8,006 looms, 355,448 spindles and 309 knitting machines, comprising 3,597 knitting sections in total.

The Securities Salesman's Corner

SELLING IS A CHALLENGE!

For some unknowable reason many people cling to the idea that in order to be a good salesman you have to be able to "pull the wool over someone else's eyes." If there ever was a complete fallacy—this is it. On the contrary, no salesman ever made a real success of his profession unless he followed exactly the opposite course. Sleight-of-hand, "putting things over" on other people, is one thing that any successful securities salesman will tell you—just won't work. You can't build a business that way.

Now, what we are leading up to is this—there is something about selling that brings out the best in you. You can't kid yourself—any more than you can kid the public and get away with it for any length of time. Selling is a hard task-master. It's so easy to alibi for yourself, when you know you are at fault. It's the kind of a job where you are your own boss—so if you don't want to work it's easy to make excuses for not doing so. It's the kind of a job that demands that you give it your study and your good health and it's so easy not to do this. Selling means being cheerful and alert—it means winning out over discouragements—it calls for confidence in yourself and the things you are selling—and all this must be backed up by unselfishness. The salesman who thinks of his commission check first—or who allows himself to worry about the future is "pulling the wool over his own eyes"—he's putting something over on himself. No man can impress another man with confidence in his offering or himself, if he is thinking of his own affairs first instead of his customer's welfare. It takes a heap of man to do a selling job week in and week out—but one thing more than anything else is necessary for success in the field of salesmanship—that is "self mastery." If you are a good salesman it's because you've learned to be a better man—the two go hand in hand.

None of us are perfect—we can only strive to be better as we go along. We can try to improve our score. As securities salesmen we have a double job to do—first help our clients to be more successful investors—second become more efficient and better investment salesmen. The two can go hand in hand despite the opinion held by many to the contrary. There is no more reason why some investors should be sold securities that are far too hazardous or unsuited to their requirements and eventually wind up both poorer and wiser, than there is that other investors are able to swear by their securities man because of the fine investment portfolio he has sold to them.

But all of this takes work. It means that we must study our offerings, our business, our prospects too, and do it so thoroughly that we can prevail over all the obstacles that stand in our pathway. This is just the opposite from "putting something over on someone"—it's the road that leads to confidence on the part of our clients in our own integrity and our ability—it's the road that leads to success—there is no other way.

Wall St. Post of Am. Legion Dinner

The Wall Street Post of the American Legion, No. 1217, will hold a stag dinner at the 77th Division Memorial Hall Club House, 28 East 39th St., Manhattan, on Monday, March 8, at 7:30 p. m. Among the speakers will be Wenzell Brown, author of "Murder Stalks Hong Kong" and "I Was a Jap Prisoner," who will relate the horrors and atrocities of the Pacific warfare. He was formerly assistant professor of English at Lingnan University in Hong Kong. Other well known men will also be present.

Clement Asbury of Thomson & McKinnon is in charge of the dinner reservations.

G. H. Robinson Dies

George Henry Robinson, retired investment banker of New York, died at his home in Hampton Bays, L. I., N. Y., after a long illness, at the age of 78.

Mr. Robinson in 1899 was one of the founders of Fisk & Robinson, investment banking house, which in 1915 became Robinson & Co. He retired in 1929. He had been a member of the New York Stock Exchange, Investment Bankers Association, and the New York State Bankers Association, and President of the New Netherlands Securities Corporation.

UNION BOND FUND "A"
UNION BOND FUND "B"
UNION BOND FUND "C"
UNION PREFERRED STOCK FUND
UNION COMMON STOCK FUND "A"
UNION COMMON STOCK FUND "B"
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Investment Trusts

"Post-War Prospects" are discussed in the latest issue of Hugh W. Long & Co.'s **New York Letter.** Taking the recent Brookings Institution study of this subject as its text, the bulletin presents much that is encouraging in the outlook. The hope is expressed that our longer-range problems will benefit greatly from the lessons of World War I and its aftermath.

In a four-page "Memorandum for Salesmen" the Long Co. presents some convincing arguments for Manhattan Bond Fund. The last page is in the form of a "figure sheet" based on the premise that a diversified list of 45 bonds rated BB is entitled to a composite rating of a single BBB bond or higher. The 45 BB bonds, having an average coupon of 5% and an average price of 72, are available through Manhattan Bond Fund at an average price of 79 including the distribution charge. Since the average market price of a 5% BBB bond is now 95, the conclusion is reached that the investor saves 16 points by purchasing through the Fund. "Is income from 45 bonds likely to be more stable?" serves as the clincher.

* * *

"Ten Facts About UBC" are listed in the latest issue of Lord, Abbett's **Union Dealer.** Among them: 1942 performance—25.7% gain, including dividends paid; 1943 performance (through Feb. 17)—10.6% gain.

Lord, Abbett has an attractive new "Six-Point Selector" to aid investors in deciding how to allocate funds among UBA, UBB and UBC. The points are: (1) Yield, (2) Protection, (3) Action, (4) Average Price, (5) Ratings, (6) Diversification. Comparisons on each point are made between the three Union Bond Funds by means of charts for easy checking.

* * *

National Securities & Research Corp. has published recent performance figures on its four "income" series in the last issue of **National Notes.** The results are summarized below.

	% Change 12/31/42 through 2/15/43
National bond series	+ 6.53%
National low-priced bond series	+ 8.05
National preferred stock series	+ 11.11
National income series	+ 9.82
Dow-Jones industrial average	+ 7.71

The conclusions reached in the most recent issue of **Investment Timing** with regard to the effects of the 48-hour work-week order are in line with opinions of the better-known economists on this subject. The service concludes:

"Although it will probably aid the manpower situation, and though it was announced as among measures designed to be anti-inflationary, the conclusion is inescapable that the 48-hour order will lead to higher consumer income, and pressure for higher prices. Added to other factors already tending in the same direction, it should increase the difficulties of holding the rises in prices and the cost of living to a practicable minimum."

* * *

"What will your dollar buy?" asks a recent issue of Keystone Corp.'s **Keynotes.** It adds: "Compared with other things that your dollar can buy, listed securities appear to be one of the few remaining bargains."

Keystone's check-each-month-throughout-the-year program mentioned here last week has now been expanded and refined to provide the salesman with a concrete approach based on the particular income needs of the investor. A simple work-sheet sets up an Objective to be determined as to the number of months per year that distributions are desired. Then a Schedule of Distributions is provided to indicate the amounts needed in each of the months selected. From the various combinations of Keystone Funds available almost any conceivable monthly distribution schedule can be met.

* * *

A new folder on bank stocks, giving certain data and ratios for 1942, has been published by Hare's, Ltd. "Bank stocks," says the folder, "while primarily peace stocks, are again, as in World War I, demonstrating their ability to increase earnings during the war time."

* * *

Under the heading "Cycle," Calvin Bullock's **Bulletin** has this to say:

"On Feb. 16, 1943, the offering price of Dividend Shares, based on the market value of its assets at the close on Feb. 15 was $1.21 per share. This was the same offering price as prevailed on Sept. 1, 1939, when the German armies invaded Poland.*

"During this period of approximately 3½ years, stockholders of Dividend Shares have received quarterly dividends totalling 22.6 cents per share, of which 5.1 cents

(Continued on page 836)

Notice to the Holders of:

Kingdom of Denmark

Twenty Year 6% External Gold Bonds, Due January 1, 1942
Thirty-Year 5½% External Loan Gold Bonds, Due August 1, 1955
Thirty-Four Year 4½% External Loan Gold Bonds, Due April 15, 1962

City of Copenhagen

Twenty-Five Year 5% Gold Bonds, Due June 1, 1952
Twenty-Five Year 4½% Gold Bonds, Due May 1, 1953

Danish Consolidated Municipal Loan

Thirty-Year 5½% External Sinking Fund Gold Bonds, Due November 1, 1955
Twenty-five Year 5% External Gold Bonds, Due February 1, 1953

Mortgage Bank of the Kingdom of Denmark

(Kongeriget Danmarks Hypotekbank)

Forty-five Year 5% Sinking Fund External Gold Bonds Series IX, of 1927
Due December 1, 1972

The undersigned Minister of Denmark in Washington makes the following statement for the information of bondholders of the above-described Loans:

With a view to keeping bondholders informed, I have since December 24, 1941 (most recently under date of January 27, 1943) published announcements regularly in connection with each approaching coupon or interest payment on bonds of the Loans. Hereafter I intend to discontinue the publication of announcements and until further notice to pay coupons (and interest on the 6% Bonds) on a basis similar to that adopted since January 1, 1942, that is to say, by putting paying-agents in funds so far as it is estimated to be necessary to make coupon and interest payments to holders, other than residents of Denmark. Should I be unable to continue such payments, due notice will be given in the Press.

Referring to my announcement dated January 21, 1942, and the conditions described therein, it remains impossible to meet sinking-fund or other principal-payment requirements. However, I reserve the right to purchase in the market bonds of any of the Loans, should it later on be my opinion that sufficient dollar funds are available for the purpose, after providing for current interest service on the basis referred to.

All future payments will be subject to such licences as may be granted by the United States Treasury.

HENRIK KAUFFMANN
Envoy Extraordinary and Minister Plenipotentiary
of His Majesty the King of Denmark

Washington, D. C., March 3, 1943.

Send for Prospectus

Republic Investors Fund, Inc.

Distributing Agent
BULL, WHEATON & CO. Inc.
40 Exchange Place, New York

INCORPORATED INVESTORS

Prospectus may be obtained from authorized dealers, or
The PARKER CORPORATION
ONE COURT ST., BOSTON

Municipal News & Notes

Recent operations in the municipal field, particularly in regards to new issue awards, seem to have demonstrated beyond question the extent of the heavy demand that continues to prevail for tax-exempt instruments. Of striking interest in this connection was the apparent absence of any lessening in such demand in the face of the partial withdrawal from the market of some institutional holders, whose principal activity in recent months has been the liquidation (and at very attractive prices) of a rather substantial amount of their old holdings. Despite this selling which, except for its unusual circumstances, could not be interpreted as being other than a bearish development, the market has remained exceptionally strong. This selling, however, is of wholly different character as its impetus rests solely in the desire of the institutions involved to "cash in" on the peak prices now prevailing for high-grade municipals and to employ the proceeds by investing in higher-yielding Treasury obligations. While these latter are taxable, in contrast with State and municipal loans, the tax-exempt feature is but of nominal value to the sources indulging in such switching.

In any event, it would appear that the municipal market has been aided, instead of being depressed by the liquidation that has been effected. An important factor here, of course, is the fact that the supply of new business has been greatly restricted due to wartime influences. Incidentally, it is more than possible that the trend of prices would be even higher were it possible to dispel with finality the current fear in many quarters that the Federal administration will succeed in enacting legislation which would nullify, directly or indirectly, the value of the tax-exempt feature on municipal issues.

Although the Administration has thus far been unsuccessful in its efforts to have the Congress pass a bill subjecting such securities to Federal taxation, recent remarks by Secretary of the Treasury Morgenthau emphasize that the project has not been abandoned.

Despite the constant existence of this threat, however, the market's performance, particularly in the recent past, has been extremely gratifying, with new issues in general having been well received. Of more than passing interest in this connection was the degree of competition which prevailed among bidders for the various loans.

An outstanding example was afforded by the recent State of New York issue of $12,000,000 grade crossing elimination bonds. Carrying an optional feature, marking the first offering of that character ever made by the State, proved no handicap, as Comptroller Frank C. Moore was able to dispose of the bonds at a new record low interest cost to the State.

The bonds were sold to a syndicate headed by the Chase National Bank of New York, which outbid four other groups which competed for the loan. Each of the five bids, incidentally, specified a rate of interest of 1.20% and the closeness of the various offers gave striking testimony to the high credit rating enjoyed by the State and the excellent character of the municipal market itself. The Chase bank group purchased the issue on a net interest cost to the State of only 1.141%, which compares with the net rate of 1.192% required in the lowest of the other four tenders submitted at the sale.

The bonds are due serially from 1944 to 1963, inclusive, and are redeemable starting on Feb. 26, 1953. The Chase Bank group reoffered the 1944 to 1953 bonds to yield from 0.30% to 1%, and those due from 1954 to 1963 were priced at 101.50 to 100. A strong demand developed for the bonds upon the reoffering.

Shields Syndicate Buys Housing Issues

A banking group headed by Shields & Co., New York, was the successful bidder on March 2 for the largest group of municipal housing bonds ever awarded, with the exception of the recent New York City Housing Authority offering. The Shields account acquired an aggregate of $19,712,000 bonds, divided as follows:

Boston (Mass.) Housing Authority, $7,500,000 (first issue) series A bonds, awarded on an interest-cost basis of 1.91%; $5,703,000 Baltimore (Md.) City Housing Authority series A bonds, interest cost 1.889%; $3,006,000 City of Detroit (Mich.) Housing Commission (first issue) series A bonds, interest cost 1.989%; $2,653,000 City of Louisville (Ky.) Municipal Housing Commission (Parkway-Sheppard Issue) series A bonds, interest cost 1.940%, and $850,000 Housing Authority of Jersey City (N. J.) interest cost 1.974%.

Additional Sales

The remaining two housing issues offered on Tuesday were purchased by a syndicate headed by Phelps, Fenn & Co., Inc., New York, and consisted of $3,744,000 Alley Dwelling Authority, Washington, D. C., and $89,000 Orlando, Fla., Housing Authority.

The sale of such a substantial block of Housing Authority obligations in one day reflected still further evidence of the high favor accorded such instruments in banking and investment circles.

Alabama's Unencumbered Cash Balance Over $8,500,000

Despite the fact that a sum of $24,486,160 reposed in the State Treasury at close of the fiscal year last September, all but $8,587,654 of the total was earmarked for specific purposes, State Finance Director Hayse Tucker advised the interim finance taxation committee recently. The bulk of the actual cash surplus was held in a special educational trust fund and this surplus, if it is to be diverted, is technically available for interest charges, debt service or for further support of schools, the Finance Director's written report said.

To Refinance Bridge Bonds

The State Finance Director announced Feb. 24 his intention to refinance a total of $4,447,500 4% bridge bonds in order to reduce the interest charge to a level of no more than 2%. The bonds, it was said, are callable on six months notice.

Cuyahoga County To Refund Special Assessment Bonds

Cuyahoga County, Ohio, plans to refund $1,398,000 of its special assessment bonds this year, the municipal research bureau of the Cleveland Chamber of Commerce declared in making public recently a detailed analysis of the debt situation of Cleveland governmental units. The county, it was said, does not plan to refund any general obligation bonds in the present year. In 1942, the county refunded $1,580,000 of special assessment bonds.

The bureau also noted that for the first time in a number of years there would be no refunding of City of Cleveland bonds, despite a 0.5-mill reduction in its tax rate.

Considering the debt situation of Cuyahoga County, the bureau said it had been necessary for the unit to continue refunding its special assessment obligations, because receipts from special assessment taxes were sufficient to pay the interest and only a small amount of principal.

"In order that this indebtedness may be reduced each year, it is necessary for the county to make a levy to pay special assessment bonds against the general duplicate," the review said. "This levy amounted to $921,000 in 1942, and approximately $880,000 has been levied for 1943. The county reduced its net special assessment debt in 1942 by $914,000 and will probably make a similar reduction in 1943."

The review brought out the steady reduction in net debt that has been made by the governmental units over a period of years. Last year the county reduced its net debt $3,136,000, or 7.8%. The City of Cleveland trimmed its net debt by $4,905,000, or 4.8%. In addition, the Cleveland Board of Education and the Cleveland Public Library reduced their debt $997,000 and $84,000, respectively. The total reduction for the year was $9,122,000, or 6.1%.

Five-Year Debt Reduction

In the five-year period from Jan. 1, 1938, to Jan. 1, 1943, the county reduced its net debt of $10,368,000, or 21.9%; the city, $5,749,000, or 5.6%; the schools, $5,101,000, or 46.6%, and the library, $640,000, or 60.4%. The total reduction over the five-year period was $21,858,000, or 13.4%.

Net bonded debt of the county, including tax anticipation notes and scrip, amounted to $36,921,197 on Jan. 1, the lowest total since the late 1920's. Cleveland's net debt on Jan. 1, also inclusive of tax anticipation notes and scrip, was $97,592,622, the lowest in at least 18 years. The Board of Education's net debt at the beginning of the year was $5,835,747, lowest in at least 22 years, and the library debt was down to $420,000.

Hazelton, Pa., Authority Plans Water Plant Purchase

The Hazelton City Authority adopted recently a resolution approving an outline of conditions under which it is considering the purchase of the Hazelton Water Co., the capital stock of which is held by the Northeastern Water & Electric Service Corp. Prior to committing itself to a definite agreement, the Authority has submitted the proposal for approval by the City Council, although the Authority is empowered by law to act on its own initiative.

The program would involve the issuance by the Authority of $3,300,000 revenue bonds, which will not in any way bind the City of Hazelton or the Authority (except as to the property acquired) but will be restricted in their lien to the income only of the water company. In no event shall any of the present owned property of the Authority be responsible should the bonds be defaulted.

The bonds would include $2,800,000 series A first lien 3s and $500,000 series B 5s, the latter to be held in escrow by the Northeastern Water & Electric Service Corp., which is to operate the water company.

Port Authority Added To Reserves In 1942

Although gross revenues of the Port of New York Authority from all sources in 1942 amounted to $16,200,000, or a decrease of about $2,500,000 under the 1941 aggregate, the Authority nevertheless bolstered its general reserve fund by about $4,700,000, retired about $2,400,000 bonds during the year and credited its insurance and deficiency funds with about $70,000, it was stated by John J. Mulcahy, Comptroller of the Port Authority, in an address before the Municipal Bond Club of Philadelphia last week.

Although saying that it seems to be highly undesirable to attempt a formal forecast of what may happen in 1943, Mr. Mulcahy went on to say that "assuming (just for instance) that traffic falls 40% under 1941," this will bring the Port Authority a total revenue income of $12,500,000. "Deducting operating expenses of $4,000,000 (and I believe this will be less), also $5,300,000 for interest charges," the speaker continued, will leave about $3,200,000 from the year's operations. After allowing for actual amortization charges of $2,500,000, "we could at the end of 1943 carry to our general reserve an additional $750,000, Mr. Mulcahy declared.

(A detailed account of Mr. Mulcahy's address appeared in the "Chronicle" of March 1, on page 773.)

Oklahoma Facing Serious Financial Problem

The State of Oklahoma will be confronted with a serious financial problem within the next two years as a result of wartime restrictions on business, greatly increased Federal taxes and rapidly declining oil production, the State Tax Commission has predicted. Total tax collections in January were $6,220,976, or 32.2% less than the $9,174,273 in the first month of 1942, the Commission announced.

Gasoline and fuels excise taxes decreased 52.9% during the month, compared with January, 1942, and 16.8% in the seven months ended Jan. 31, compared with the same period a year earlier. January receipts were $903,428 against $1,920,372 and seven-month collections were $10,862,863 against $13,053,268, it was reported.

Motor vehicle license tax collections fell to $2,095,287 last January from $3,893,409 a year earlier, a drop of 46.2%, and to $2,515,325 in the seven months ended Jan. 31 from $4,584,230 in the 1941 period, a drop of 45.1%.

Sales tax collections rose 10.2% in January and 10.3% in the seven-month period. January receipts were $1,524,687 against $1,383,085 and seven-month receipts were $8,727,474 against $7,912,981.

Chicago Park District Debt Reduction Reported

The recent quarterly financial statement of Harold L. Baker, Director of Accounts, showed that the park district reduced its total debt structure to the extent of $6,559,000 in 1942. Total debt on Dec. 31, last, was reported as $81,585,250 as compared with $88,144,809 a year earlier. Indebtedness has been reduced $45,553,056 from the total of $127,138,307 on May 1, 1934, when consolidation of the various park districts into the present single unit was effected.

Gross bonded debt of the district on Dec. 31 amounted to $81,709,700, against $87,902,700 at the end of 1941. The district has issued a call for redemption on March 1 for $4,920,000 of its bonds. This will reduce the gross bonded debt figure as of March 1 to $76,783,700.

After taking into consideration accrued interest on funded debt and sinking fund assets, net bonded debt at the end of the year amounted to $71,724,267, a reduction of $6,398,286 compared with $78,122,553 on Dec. 31, 1941.

Floating debt increased $572,804 in the year to $2,023,782 from $1,450,978. This increase largely was accounted for by an increase of $681,702 in contractual obligations. Accounts payable, however, declined $317,274 to $205,621 from $522,895.

Tax anticipation warrants outstanding at the end of the year amounted to $7,837,201, a reduction of $734,076 compared with $8,571,278 outstanding as of Dec. 31, 1941.

Boren Bill Seen as Correcting Unlawful Delegation Of Power To SEC

The bill introduced in the House by Congressman Lyle Boren of Oklahoma (H. R. 1502) to amend the Securities and Exchange Act of 1934 to make it clear that the statute does not confer upon the Securities and Exchange Commission the power to regulate transactions in exempted securities and to repeal that part of the act under which the Commission was clothed with the authority to define, for the purposes of the act, the transactions that are "manipulative, deceptive or otherwise fradulent," has been endorsed by David M. Wood, noted New York attorney, and member of the firm of Thomson, Wood & Hoffman.

In his recent opinion on the subject, Mr. Wood asserted that Congressman Boren was "manifestly right" in taking the position that with the repeal of the sentence in question the power to define the offenses "will revert to Congress where it belongs." Mr. Wood also observed that the legislator might have gone further and stated that Congress had no constitutional right to attempt to confer this power upon the SEC.

Introduction of the Boren bill came as an aftermath of the proposal last year by the SEC of a rule, now apparently abandoned, which would have required over-the-counter dealers, including municipal men, to submit to customers in each transaction the best independent bid and asked prices of securities. Municipal men felt that it was on the basis of the phase of the law, giving the SEC the power to define manipulative, deceptive, and fraudulent, that the application of the rule was proposed to be extended to municipal transactions.

West Virginia Income Tax Levy Eliminated

Repeal of the State's eight-year-old income tax law was effected recently, as each branch of the Legislature voted to override Governor Neely's veto of the measure. The House originally approved the repealer on Jan. 27 and the Senate followed suit on Feb. 3.

Major Sales Scheduled

The successful award on Tuesday of approximately $24,000,000 of Housing Authority issues now leaves the calendar of scheduled business for the present month (at least at this writing) barren of any prospective deals of $500,000 or more. As a matter of fact, the largest of the issues currently up for award consists of an item of $195,000 by Wayne, Mich. There are, however, several large offerings scheduled to be reoffered within the next few days, representing recent acquisitions by investment bankers. These include the $21,635,000 Lower Colorado River Authority, Texas, bonds which will be placed on the market by an account headed by the First Boston Corp. and Stranahan, Harris & Co., Inc. In addition, a group managed by Blyth & Co., and including, among others, Blair & Co., Inc., and Dean Witter & Co., is expected to undertake the distribution of a new issue of $9,000,000 Seattle, Wash., 3½% municipal transportation system revenue refunding bonds.

New Issue

$12,000,000

State of New York

1.20% Bonds

Dated February 26, 1943

Due $600,000 each year, February 26, 1944-63 incl.

Redeemable at par and accrued interest on February 26, 1953, or on any interest payment date thereafter, all bonds then outstanding, or all bonds of a single maturity beginning in the inverse order of their maturity.

Principal and semi-annual interest, August 26 and February 26, payable in New York City at the Bank of the Manhattan Company. Coupon bonds in denomination of $1,000 each, registerable as to principal and interest in denominations of $1,000, $5,000, $10,000 and $50,000.

Interest Exempt from all present Federal and New York State Income Taxes

In our opinion, Legal Investment for Savings Banks and Trust Funds in New York, Connecticut and certain other States and for Savings Banks in Massachusetts

Acceptable to the State of New York as security for State deposits, to the Superintendent of Insurance to secure policy holders, and to the Superintendent of Eanks in trust for banks and trust companies

These Bonds, issued for Elimination of Grade Crossings, constitute, in the opinion of the Attorney General of the State of New York, valid and binding obligations of the State, and the full faith, credit and taxing power of the State of New York are pledged for the payment of principal and interest.

MATURITIES AND PRICES

(Accrued interest to be added)

Due Feb. 26	Yield to Maturity	Due Feb. 26	Yield to Maturity	Due Feb. 26	Price	Approx. Yield to Opt. Date Feb. 26, 1953	Due Feb. 26	Price	Yield to Maturity
1944	.30%	1949	.80%	1954–55	101½	1.04%	1961	100	1.20%
1945	.50	1950	.85	1956	101¼	1.07	1962	100	1.20
1946	.60	1951	.90	1957	101	1.09	1963	100	1.20
1947	.70	1952	.95	1958	100¾	1.12			
1948	.75	1953	1.00	1959	100½	1.15			
				1960	100¼	1.17			

Yielding 1.20% after Optional Date

The above Bonds are offered when, as and if issued and received by us and subject to approval of legality by the Attorney General of the State of New York. It is expected that Interim Certificates will be delivered in the first instance, pending preparation of Definitive Bonds.

The Chase National Bank

Hallgarten & Co. Barr Brothers & Co. INC. R. W. Pressprich & Co. Salomon Bros. & Hutzler Chemical Bank & Trust Company Blair & Co., Inc.

Blyth & Co., Inc. The Marine Trust Company of Buffalo Manufacturers Trust Company The Northern Trust Company Chicago Harris Trust and Savings Bank Organized as N.W. Harris & Co. 1882. Incorporated 1907

Kidder, Peabody & Co. Estabrook & Co. Manufacturers and Traders Trust Company Buffalo Stone & Webster and Blodget Incorporated Kean, Taylor & Co. Swiss American Corp.

. S. Moseley & Co. L. F. Rothschild & Co. Roosevelt & Weigold Incorporated Hornblower & Weeks Mercantile-Commerce Bank and Trust Company

quitable Securities Corporation Hemphill, Noyes & Co. White, Weld & Co. R. L. Day & Co. W. E. Hutton & Co. State Bank of Albany

aurence M. Marks & Co. First of Michigan Corporation Lee Higginson Corporation Geo. B. Gibbons & Co. Incorporated Schoellkopf, Hutton & Pomeroy Incorporated

he Public National Bank & Trust Company of New York The National Commercial Bank and Trust Company of Albany The Commercial National Bank & Trust Company of New York

Hannahs, Ballin & Lee Reynolds & Co. Schwabacher & Co. C. F. Childs and Company Incorporated Riter & Co.

. C. Allyn and Company, Inc. Green, Ellis & Anderson Edward Lowber Stokes & Co. Francis I. du Pont & Co. Arnhold and S. Bleichroeder, Inc.

. G. Becker & Co. Incorporated Schmidt, Poole & Co. Philadelphia Otis & Co. (Incorporated) Ernst & Co. Craigmyle, Pinney & Co.

New York, February 26, 1943

Province of British Columbia
New Descriptive Circular
Copy on Request.

Wood, Gundy & Co.
Incorporated
14 Wall Street, New York
Bell System Teletype NY 1-920

CANADIAN SECURITIES

By BRUCE WILLIAMS

On April 1, 1943, Canada's new program of "mutual aid" will begin to operate. This new plan is the outgrowth of Canada's experience in providing Great Britain with a "billion-dollar gift" of war supplies.

Under the old setup Canada sent to Great Britain a billion dollars' worth of munitions and raw materials as an outright gift. Great Britain, in turn, redistributed a large part of these war supplies to other United Nations. When it became known that the British were selling some of these "free" supplies to Australia, objections were voiced throughout the Empire. Canada wisely decided that as soon as her obligations under the original gift had been met, such "mutual aid" as she could give to the United Nations over and above her own war needs should henceforth be handled directly.

The new plan calls for another billion-dollar gift. However, this time Canada will allocate the materials directly and on her own terms. It is a significant step, not only for Canada but for the whole British Empire. In the words of one Canadian editor, "It is at once an acceptance of the responsibilities, and a claiming of the rights, of nationhood."

The political aspects of the move, amounting as it does to a mild "declaration of independence," are of less significance to this observer than its economic aspects and the administrative policies of the program. Briefly, a five-man board will be set up and given authority to distribute up to $1,000,000,000 of war equipment, raw materials and foodstuffs on the basis of "strategic need." All United Nations will be eligible to receive these war supplies, with "effective use" the primary consideration in their distribution.

Although Canada may require "reciprocal benefits" from other United Nations in a position to give them in return for these supplies, all arrangements are final. Outright gifts will be made without any strings attached. There are no "hangover" clauses or stipulations requiring negotiation and settlement at some future time.

Obviously, Canada understands the principle that "it isn't so much what you give as how you give it." Her "mutual aid" plan embodies this principle in a common-sense, workable program that will enable her to put forth her maximum effort in a cause which, after all, is one of common survival.

When one recalls the American experience of "lending" war materials and foodstuffs to our Allies during and after the First World War, the soundness of Canada's new plan becomes all the more apparent. Our contribution to the Allied cause in 1914-18 and in the years immediately thereafter was substantial. Yet we got little thanks for it, whereas our "loans" might have done much to create an atmosphere of international cooperation if they had been outright gifts in the first place. As it is, they have become "gifts" by default and as such are even today a source of irritation and misunderstanding.

What many Americans failed to realize during the last war is that when nations band together in a fight for a common cause it should not be a question of one profiteering at the expense of the others, but of each contributing a full measure. In fact, when the vague and ill-defined obligations which are being created under our Lend-Lease program come up for settlement, a new era of misunderstanding may arise — with "Uncle Shylock" again the target of Allied animosity.

In spite of our loans that became gifts, our immediate economic and industrial gains from the last war were tremendous. Canada is in the process of achieving similar gains from the present conflict. That she intends to make them secure and lasting is clear from the manner in which she is contributing to the war effort. Her contribution is a full measure. She is making it in a way that will strengthen her friendships and enlarge her markets in the post-war world.

Canada Manufacturing Activity Remains High

"Manufacturing activity in Canada continues at a high level, with war contracts providing its chief basis, and the latest Government return shows a continuance of the upward movement in employment which has been in progress without interruption since last March," says the Bank of Montreal in its "Business Summary" made available Feb. 23. The bank also has the following to say, in part:

"For the month prior to Dec. 1, there was a gain of 31,527 workers on the payrolls of reporting firms. To this advance, which was contra-seasonal in character, the greatest contributors were manufacturing, which absorbed an additional 16,116 persons, and logging which absorbed 13,600. The iron and steel industries alone absorbed about 12,000 and on Dec. 1 employment in the heavy industries accounted for one-third of the total number of workers on the payrolls of reporting firms, as compared with little more than one-fifth at the corresponding date in 1939.

"At intervals winter weather of unusual severity has resulted in some dislocation of communications and other activities and has hampered the distribution of goods, but the physical volume of business as a whole has been at a record high. Coincident with the increase in war activities, curtailment of the production of civilian goods is proceeding steadily and wholesale and retail merchants now experience great difficulty in procuring adequate supplies for the replacement of stocks of certain articles. Nevertheless, retail trade continues in great volume and during December, the latest month for which data are available, it was 30% larger than in November, owing to the special Christmas trade, and 6% larger than in December, 1941."

Schram Asks NYSE Members For Views On Admitting Corporations To Exch. Membership

Continued from page 827

established business practices of member firms. The effect of the plan which has been most often suggested would be to make it possible for a member house to operate either as a partnership or as a corporation.

"In one important respect member corporations would have to meet more exacting requirements than those laid upon member firms. In addition to the provision for initial minimum paid-in capital, which would be identical with that for a member firm, the member corporation would be obliged to have substantial initial paid-in (capital) surplus. The member corporation would be subject to the same capital maintenance requirements as member firms.

Broad General Questions

"For purposes of emphasis, it may be well to repeat that the considerations which must enter into our decision have to do, principally, with four major questions: (1) Would the admission of member corporations enable us better to serve the public? (2) Could we effectively apply our system of controls and scrutiny to such corporations? (3) Would the result be a net increase in the total business on the New York Stock Exchange? (4) Would any considerable number of securities corporations conform to our requirements and submit to our supervisory controls in order to become members? The contentions which have been advanced, both for and against, with respect to these questions may be briefly summarized as follows:

"(1) Would the admission of member corporations enable us better to serve the public?

"It is contented that a number of non-member securities corporations would become members if permitted to do so. There would thus be an additional number of organizations advocating investment in listed securities for which the Exchange provides a ready market and about which there is available more information for evaluating securities than is usually the case with unlisted securities. Thus it is contended that the admission of incorporated securities houses would bring to the Exchange increased volume of business, resulting in more active and better markets. Emphasis is also placed upon the desirability of encouraging investors to use the facilities of our markets and thereby derive the benefit of instantaneous and constant price publicity. Advocates of member corporations cite the customer protection which the Exchange provides in the form of close scrutiny and supervision of member houses, capital requirements which the Exchange imposes and many other safeguards which have been set up in the public interest.

"Those opposing the admission of member corporations say that there would be no material increase in the volume of listed business flowing to the Exchange from corporations if admitted to membership. This question of volume is discussed at greater length under Question (3) below. In addition, opponents also point out that non-member corporations would not wish to subject themselves to the rigid rules of the Exchange. Those in opposition assert, moreover, that limited liability inherent in incorporation would deprive the public of a measure of protection afforded by the unlimited liability of partnerships. On this point advocates of the proposal contend that the value of unlimited liability is uncertain and probably only theoretical, that member corporations would have stiffer initial capital requirement than member firms, and, furthermore, that additional protection to customers of such corporations could be provided by a requirement that officers, as well as employees of a member corporation, be covered by a broker's blanket bond.

"(2) Could our controls and scrutiny be adequately applied to member corporations?

"Opponents fear that supervision of member corporations would be difficult and that regulation of an increased number of houses and tneir stockholders would be expensive.

"Contrariwise, the opinion is expressed that no unusual increase in personnel would be needed for adequate supervision of member corporations and that it would be no more difficult to supervise corporations than it is to supervise partnerships. Moreover, the practical objections to the admission of corporations whose ownership is widely diffused appear to be generally recognized.

"(3) Would the result be a net increase in the total business on the New York Stock Exchange?

"The argument has been made that corporations, if admitted to membership, would not send much additional business to the Exchange Floor but would continue to deal in listed securities in the over-the-counter markets. Advocates in rebuttal say that incorporated houses now doing considerable business in listed stocks over-the-counter would be impelled, if admitted to membership, to place their business on the Exchange, where the best markets usually exist.

"It is contended that no new business would be generated by the admission of member corporations. The point is further made that incorporated houses, if admitted to membership, would merely dilute the existing volume of transactions. It is held, on the other hand, that the superior attractiveness and marketability, generally, of listed securities would induce member corporations to recommend them to their customers.

"Another contention is that admission to membership would not cause a securities corporation to give up the comparatively larger profits from trading in unlisted issues for the smaller commissions charged on listed securities. In other words, if permitted to acquire Exchange membership, the company would continue to discourage its customers from investing in listed securities. One answer to this contention is that, since listed issues are generally more attractive, it is easier to produce business in them, with the result that, while the commission profit on each transaction may be less, the total net profit from listed business compares favorably with the total net profit obtained from dealing in unlisted securities.

"(4) Would securities corporations which can conform to our standards of character and financial responsibility be interested in becoming members of the Exchange?

"Although opinions have been expressed that few, if any, corporations would become members, the advocates of the proposal take a contrary view. They point out that a number of securities corporations have made inquiry on this subject during the last several years and seemed inclined to make application if the Exchange should make it possible for them to become members and retain their incorporated status."

In his letter Mr. Schram also pointed out that "many stock exchanges include provisions in their constitutions or by-laws for the admission of member corporations and, since many New York Stock Exchange securities are dealt in on other exchanges, non-member houses are able already to transact business in our stocks on public markets." He added:

"Fourteen of a total of 19 registered securities exchanges permit corporations to hold memberships. They are:

"Boston, Chicago, Cincinnati, Cleveland, Detroit, Los Angeles, New Orleans, Salt Lake City, San Francisco, St. Louis, Standard, Washington, Board of Trade (Chicago), San Francisco Mining Exchange."

"Member corporations" he also said "are not uncommon on the American commodity exchanges."

Eccles Will Address Central States IBA

Speakers scheduled for the eighth annual conference of the Central States Group of the Investment Bankers Association of America to be held in Chicago, March 11, include Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, Joseph D. McGoldrick, Comptroller of the City of New York, James M. Macdonnell, President and General Manager of the National Trust Company, Ltd., of Toronto, Robert W. Baird, President of The Wisconsin Co., Milwaukee, and Arthur C. Knies, partner of Vilas & Hickey, New York, it was announced on March 1 by D. Dean McCormick of Kebbon, McCormick & Co., Chairman of the Group.

Mr. Eccles is to discuss the war financing problems of the U. S. government at a dinner meeting at the Palmer House, climaxing a one-day program devoted to various phases of wartime finance. Other speakers will deal with war financing problems of states and cities and of Canada. The wartime and future prospects of the railroads and of the investment business itself are other subjects on the program, which, according to Mr. McCormick, was arranged by determining the issues uppermost in investment banking at the moment and then finding the best men to discuss them.

Comptroller McGoldrick will address the Municipal Forum, at which also Lewis Miller, of the First National Bank of Chicago, will also be a speaker. Mr. Miller is Chairman of the Municipal Securities Committee of the Central States Group. There will also be a Railroad Securities Forum, at which Mr. R. Winfield Ellis, Lee Higginson Corp., Chicago, will preside; the speaker will be Mr. Knies.

Previous reference to the meeting appeared in our Feb. 18 issue, page 650.

Frank Becker Is With Guaranty Trust Co.

Frank Becker has become associated with the Guaranty Trust Company, 140 Broadway, New York City, in the United States Government Bond Department. Mr. Becker was formerly for many years an officer of H. M. Byllesby and Company, Incorporated.

James Evans Is With Stanley Gates & Co.

(Special to The Financial Chronicle)

ST. PAUL, MINN.—James H. Evans has become associated with Stanley Gates & Co., First National Bank Building. Mr. Evans was formerly local manager for R. E. Crummer & Co. and the Brown-Crummer Co. for many years.

NYSE Annual Shows Drop In Secur. Business

Member firms of the New York Stock Exchange decreased last year from 557 as of Jan. 1, 1942, to 537 on Jan. 1, 1943; branch offices were reduced from 868 to 745, and non-member correspondent firms, which maintain direct wire connections with members, declined from 2,606 to 2,139, according to the Stock Exchange "Year Book," just published. Branch offices of member firms as of Jan. 1, 1943, were located in 320 cities in 45 States, two territories and five foreign countries.

During 1942, 648 of the 834 common stock issues listed on the Exchange paid cash dividends aggregating $1,997,461,000 and 336 of the 404 listed preferred stock issues paid dividends aggregating $349,105,000—a total of $2,346,566,000. Of these same issues, 627 common stocks paid dividends in 1941 amounting to $2,280,654,000, and 322 preferred issues paid $360,367,000—a total of $2,641,021,000, according to the "Year Book." As a result of 1942 disbursements, says the "Year Book," dividend paying common and preferred stocks showed a typical yield of 7.8% and 5.8% respectively, based on year-end profits.

The "Year Book" shows a list of common stocks listed on the Exchange which have paid cash dividends consecutively for 25 to 95 years. Heading this list is the Pennsylvania Railroad, which made its first payment in 1848, followed by the Continental Insurance Co. (N. Y.) and the Corn Exchange Bank Trust Co. of New York, both of which made their first distribution in 1854.

During 1942, the "Year Book" further reveals, 70 applications to list 47 stock and 31 bond issues on the Exchange were approved. Of these, 10 applications for 19 stock and 2 bond issues were by companies not previously represented on the Exchange's list.

The reported stock volume on the Exchange in 1942 was 125,685,298 shares, compared with 170,603,671 shares in 1941, while the reported bond volume (par value) was $2,311,479,250, as against $2,111,805,000 in 1941.

For the fourth successive year the solvency record of New York Stock Exchange members was 100%, against 99.94% for banks and 99.56 for commercial houses.

During 1942 the high price paid for a Stock Exchange membership was $30,000 in November and December, and the low price was $17,000 in April and May. This compares with a high of $35,000 in 1941 and a low of $19,000.

Regarding the new method of trading by special offerings, which was instituted in February, 1942, the "Year Book" reports that as of Jan. 1, 1943, 73 special offerings involving 808,938 shares with a market value of $23,471,515 had been approved. Of these, 62, embracing 707,019 shares with a market value of $18,891,611, were distributed and 11 were withdrawn. Of these latter offerings, 72,757 shares, valued at $3,233,234 were distributed.

The "Year Book" also reports a total of 3,029 members of the Stock Exchange community serving in the armed forces of the United States, five of whom have made the supreme sacrifice. The total of 3,029 is comprised of 396 members and employees of the Exchange and 2,633 member firm partners and employees.

Hearing Postponed

The Securities and Exchange Commission has postponed from March 4, 1943, to April 7, 1943, the hearing ordered to determine whether the registration of Patrick A. Trapp, Rialto Block, Butte, Mont., as a broker-dealer should be suspended or revoked.

This advertisement appears as a matter of record only and is under no circumstances to be construed as an offering of these securities for sale, or as a solicitation of an offer to buy any of such securities. The offering is made only by the Prospectus.

Burlington Mills Corporation

65,000 Shares

5% Cumulative Preferred Stock

(par value, $100 per share)

Price $104.50 per Share

(plus accrued dividends from March 1, 1943, to date of delivery)

Copies of the Prospectus may be obtained in any State from such of the several Underwriters, including the undersigned, as may lawfully offer the securities in such State.

Lehman Brothers
Kidder, Peabody & Co.
Merrill Lynch, Pierce, Fenner & Beane
R. S. Dickson & Company Incorporated
Wertheim & Co.
A. G. Becker & Co. Incorporated
Hallgarten & Co.
Union Securities Corporation
Dean Witter & Co.
Alex. Brown & Sons
Laurence M. Marks & Co.
Mitchum, Tully & Co.
Scott & Stringfellow
Folger, Nolan & Co. INC.
G. H. Walker & Co.
The Wisconsin Company

March 3, 1943

Interest Payments On Danish Bonds

Henrik Kauffman, Danish Minister in Washington, on March 3 made the following statement for the information of bondholders of these issues: Kingdom of Denmark 20-year 6% external gold bonds, due Jan. 1, 1942; 30-year 5½% external loan gold bonds, due Aug. 1, 1955; 34-year 4½% ext'l loan gold bonds due April 15, 1962; City of Copenhagen 25-year 5% gold bonds, due June 1, 1952; 25-year 4½% gold bonds, due May 1, 1953; Danish Consolidated Municipal Loan 30-year 5½% external sinking fund gold bonds, due Nov. 1, 1955; 25-year 5% external gold bonds, due Feb. 1, 1953; Mortgage Bank of the Kingdom of Denmark (Kongeriget Danmarks Hypotekbank) 45-year 5% sinking fund external gold bonds, series IX, of 1927, due Dec. 1, 1972.

"With a view to keeping bondholders informed, I have since Dec. 24, 1941 (most recently under date of Jan. 27, 1943), published announcements regularly in connection with each approaching coupon or interest payment on bonds of the loans. Hereafter I intend to discontinue the publication of announcements and, until further notice, to pay coupons (and interest on the 6% bonds) on a basis similar to that adopted since Jan. 1, 1942, that is to say, by putting paying agents in funds so far as it is estimated to be necessary to make coupon and interest payments to holders, other than residents of Denmark. Should I be unable to continue such payments, due notice will be given in the press.

"Referring to my announcement dated Jan. 21, 1942, and the conditions described therein, it remains impossible to meet sinking fund or other principal payment requirements. However, I reserve the right to purchase in the market bonds of any of the loans, should it later on be my opinion that sufficient dollar funds are available for the purpose, after providing for current interest service on the basis referred to.

"All future payments will be subject to such licenses as may be granted by the United States Treasury."

W. M. Wadden Jr. With Cruttenden Co. Staff

(Special to The Financial Chronicle)

CHICAGO, ILL.—William M. Wadden, Jr. has become associated with Cruttenden & Co., 209 South La Salle Street, members of the New York and Chicago Stock Exchanges. Mr. Wadden was formerly an officer of Thompson, Davis & Phipps, Inc. and Medway, Wadden & Williams.

Earl E. Finley Forms Firm in Cleveland

(Special to The Financial Chronicle)

CLEVELAND, OHIO—Earl E. Finley has formed Finley & Co. with offices in the Union Commerce Building to engage in a general securities business. In the past Mr. Finley was with Jackson & Curtis, and was a partner in Finley, Smith & Gentsch.

Geo. C. Morgan Joins Straus Securities Co.

(Special to The Financial Chronicle)

DETROIT, MICH.—George C. Morgan is now with Straus Securities Company, 600 Griswold Street. Mr. Morgan was formerly manager of the bank and insurance department of Smith, Hague & Co. and prior thereto was with Campbell, McCarty & Co., Inc.

Constitutionality Of Rent Control Act Questioned By Federal Judge In Indiana

The view that the delegation of arbitrary rent-control powers to the Office of Price Administration is unconstitutional was maintained on Feb. 26 by Judge Thomas W. Slick in the Federal District Court of Northern Indiana. In a written opinion, Judge Slick said:

"In my opinion, Congress never intended to delegate this omnipotent power (the right arbitrarily to fix rents at certain levels) to the OPA, and, if it was so intended, the act, under such construction, is unconstitutional." Special advices from South Bend, Ind., Feb. 26 to the Chicago "Daily Tribune," reporting this, said:

"The opinion, which may be far reaching, was handed down in a decision dismissing a tenant's suit against a South Bend landlord.

"The tenant, Edward Roach, had sought a judgment of $120, triple damages as provided by law, against his landlord, Dick M. Johnson, for charging him rent of $10 more a month than the $35 ceiling which the OPA fixed for the premises. The triple damages covered a four month period.

"The suit, filed Sept. 8, named Leon Henderson and Carl L. Hibberd, rent administrator for the South Bend area, as co-defendants. A hearing was held several months ago and Judge Slick took the matter under consideration until today.

"The defendant, Johnson, specifically affirms that the Congress, under its war powers, has authority to regulate prices, limited only by the constitutional inhibition against failure to provide standards," the Judge said in his written opinion.

"The defendant contends the administrator cannot use his own discretion to fix rental price ceilings in any area without a hearing. The defendant further contends there must be some standards to guide him which the Act fails to provide, otherwise the delegation of authority is contrary to constitutional provisions.

"The only provision in the emergency price control act that even hints at the necessity for determination of facts is found in section 202 of the Price Control Act, where it is provided that the Administrator is authorized to make studies and investigations to obtain information he sees necessary or proper to assist him in prescribing any regulation or order under this act."

Recommends Hartford Fire Stock

The status of the Hartford Fire Insurance Company justifies the interest of investors in the stock of this company, according to an interesting memorandum issued by Huff, Geyer & Hecht, Inc., 67 Wall Street, New York City. Copies of the circular discussing the situation in detail, together with a compilation of 1942 operating results for the leading fire and casualty companies, may be had upon request from Huff, Geyer & Hecht, Inc.

N. Y. Analysts To Hear Grimes On Electronics

The luncheon meeting of the New York Society of Security Analysts, to be held on March 5 at 12:30 p. m., at 56 Broad St., New York City, will be addressed by David Grimes of the research laboratories of the Philco Corp. on "Facts and Ideas on Electronics."

Program To Salvage Fiscal And Monetary Solvency

(Continued from first page)

devaluation of the dollar such as the one that probably will be urged upon us at the end of this war.

Although a radical devaluation of the dollar could be urged upon the American people only through ignorance of the economic destruction that such a program would bring, it will be easy for the devaluationists to capitalize the public's lack of understanding of the nature of this device and the consequences that would follow its use unless public education on this serious matter begins now.

Moves to put over such a ruinous program on the American people have already begun. On July 14, 1941, a group of silver Senators, headed by Senator Elmer Thomas of Oklahoma, issued a statement in which they said that if our national debt should reach the sum then prophesied by some of our citizens the size and weight of our dollar may have to be reduced to enable our people to meet their taxes, interest, and debts, and to liquidate our national obligations.

In a radio address, Nov. 15, 1942, Senator Thomas repeated this prediction.

On Feb. 21, 1943, the "New York Herald Tribune," carried a column with a headline which read: "Need to Revalue Dollar Seen by Some Experts." It would not be monetary experts in this country—quite the contrary—that would advance the views set forth in that heading and column. If there are any monetary experts involved, it would have to be those of foreign countries who are willing to aid us in fleecing ourselves so that their countries might profit at our expense. Both the heading and column of that article may well be taken as a sample of the type of dangerous alternative to which the public is already being subjected and which needs to be analyzed and exposed in terms that the American people can understand. That job needs to be done immediately and repeated over and over until the average citizen knows what the quick and sharp answer is to this ruinous program.

Other very objectionable alternatives to the suggested four-point program are the recommendations for irredeemable paper money and currency dilution in various forms. Since early 1933, this nation has been subjected to programs of this sort, supported by various groups with differing excuses, and, up to date, neither the Treasury nor the Reserve authorities has made one important move to arrest this unhealthy trend of events. As greater fiscal pressures develop, it may be expected that the advocates of these unwise alternatives to an honest and sound method of meeting our debt problems will become more active because they probably will claim that necessity now demands the use of their "solution."

Since outright greenbackism is apparently best understood by the mass of people, it is probable that more subtle devices will be the ones urged or utilized. Devaluation is a slick, though devastating, sleight-of-hand method of debt payment. Recently we have been treated to a new brand of manipulation in the issuance of $660,000,000 of Federal Reserve bank notes, called "National Currency." By a maneuver, in which a so-called "retirement" preceded issuance, the Treasury and Reserve authorities pumped this "National Currency" into circulation. These notes are the same in nature as unsecured greenbacks; the differences in effect probably lie in the psychological reactions of the people. They do not understand this transaction; they probably would have understood the significance of a straightforward issuance of unsecured United States notes or greenbacks.

The employment of this piece of currency manipulation is symptomatic of the thinking and attitude in Administration circles with respect to the handling of the people's fiscal and monetary affairs. It comes while this nation is barely getting into this war and after 10 years of recommending and of writing into our monetary statutes provision for about every species of currency expansion and dilution that mankind has ever seen.

Let us be specific about this 10-year record: (1) On May 12, 1933, we got the Thomas greenback law. (2) On Dec. 21, 1933, the President launched us on a silver purchase and silver subsidy program. (3) On Jan. 31, 1934, our dollar was devalued 41%. (4) On June 19, 1934, the notorious Silver Purchase Act was passed. (5) On July 6, 1939, the domestic silver subsidy and silver purchase act became law. (6) On Feb. 5, 1942, Chairman Eccles of the Reserve Board recommended that the Federal Reserve banks be permitted to purchase government securities direct from the Treasury in unlimited amounts—the German road to disastrous inflation in the 1920's—and 5 billion dollars of such purchases were authorized. (7) On Oct. 14, 1942, the Reserve Board and Treasury endorsed a program to convert silver certificates into inconvertible paper money. (8) On Dec. 13, 1942, we got our $660,000,000 of greenback "National Currency." (9) As a consistent government policy since 1933, we have had a fairly constant monetization of the Federal debt by the Reserve and commercial banks of this country—first under the "socially beneficial" pump-priming-and-large-government-deficit program in peace time, and now under the necessities of war financing.

Since neither the Treasury nor the Reserve authorities nor other policy makers of this Administration have done anything of importance to arrest this trend of events during the past 10 years, and are not now showing any marked improvement in thinking or attitude where fiscal and monetary matters are concerned, the hope of the public would seem to lie chiefly in the newly-constituted Congress. For a change, the majority of Congress seems inclined to stop, look, listen, and investigate. Some wholesome repeal measures have already been introduced. The signs in these respects are more encouraging than they have been for a decade.

But now that we are in this war, the monetization of much of the Federal debt must of necessity continue until the end of the war and perhaps for a time thereafter. There is no wise or defensible tax program which can be devised that can prevent this monetization of a large portion of the national debt, despite the current popularity of that untenable, over-simplified concept of "the inflation gap" and the related contention that taxes should be made to take all "this inflation gap."

The best that can be done now is to eliminate all unnecessary government expenses and then consolidate and fund our huge debt into a permanent one at a low rate of interest. With an interest charge of perhaps 4 or 4½ billion dollars per year, and a Federal budget of other items of approximately 7 billion dollars per year, we should be able, as a nation, to recover from our present distressing condition in a reasonably good manner and without a back-breaking tax burden on our people.

This solution is simple and prudent, and it can be employed if we begin now to make the public aware of it and at the same time warn them against the evil and ruinous alternatives being prepared for them by the currency manipulators—the greenbackers, devaluationists, and every other variety of currency expansionist, dilutionist, "managers," and what not.

Now is the time for responsible leaders to pitch in. The currency manipulators have been on the job for 10 years. They have their tools ready, and they have learned new tricks. The unprepared and largely unprotected public simply cannot be aided too soon.

Editor's Note—We would appreciate hearing from any of our readers who agree with or have views contrary to the sentiments expressed by Dr. Spahr in his article above.

Our Reporter's Report

(Continued from first page)

was reported encountering satisfactory demand.

Erie Bond Hearing

Tendency toward turning the hearings on the Erie Railroad bond issue, now in progress before an Interstate Commerce Commission Examiner into the general field of competitive bidding were quickly checked.

The Examiner, O. E. Sweet, finance director for the Commission, quickly sustained objections to certain questioning leading in that direction and ruled that the hearing would be restricted to the Erie case as such.

Meanwhile it was but natural that marketing of the bonds in question despite their high investment rating should lag, pending a ruling by the Commission, which has before it the issuer's application for approval of the bonds. But it was indicated that approval of the bonds would see the unsold balance of the offering cleaned up quickly.

New Jersey Zinc

Announcement of the sale of a total of 195,000 shares of the capital stock of the New Jersey Zinc Company to the St. Joseph Lead Company, confirmed reports recently current that a large block of the stock was destined for private sale.

The stock involved came from the estate of the late Edgar Palmer, who was president of the company for many years.

It is understood that there remains another substantial block of the issue likewise destined to change hands and in underwriting circles, it was the belief that a similar deal would be negotiated with another company.

By this method, it was pointed out, the estate is saved the detail and expense of going into registration as would be necessary if the stock were sold to bankers for distribution to the public.

Prepare For Treasury Offer

Institutional investors are going along rather quietly at the moment presumably making preparations for their participation in the next huge Treasury war financing due April 12.

Insurance companies, it is indicated, are holding down their new investments and are expected to pursue that course pending the Treasury's drive.

This does not mean, however, that such companies are completely idle. Quite to the contrary, they are the source of considerable activity in the secondary railroad bond market.

Here insurance portfolio men are busy working out "swaps" which will improve the quality of their holdings and dealers find them never too busy to look over a situation which might hold promise in that direction.

Something New?

There has been considerable conjecture about suggesting that Secretary Morgenthau is giving plenty of thought to a new type of bond as a part of the impending war loan drive.

Such discussion recalls to mind the idea put forward some weeks ago that too much of the burden was falling on the shoulders of larger banks and financial institutions in the major cities.

Under the circumstances some people are inclined to anticipate something new in the way of an issue which will appeal especially to interior banks and some of the smaller insurance companies.

Investment Trusts

(Continued from page 831)

per share represented distributions from net profits realized on sales of securities. The annual average return provided by these dividends on Sept. 1, 1939, offering price was 5.34%."

*On Feb. 15, 1943 the Dow-Jones Industrial stock average closed 4.32% lower than on Aug. 31, 1939.

* * *

Distributors Group's new folder on the Aviation Shares of Group Securities contains some interesting comparisons between aviation stock prices, dividends and yields for 1937 and 1942. Example: Boeing's ratio of price to earnings five years ago—65.8; today—3.0.

Dividends

Keystone Custodian Funds, Inc. —Series "S-1" semi-annual distribution of 65 cents per share; Series "S-3" semi-annual distribution of 30 cents per share—both payable March 15 to shareholders of record Feb. 27, 1943.

Maryland Fund—A distribution of 7 cents per share payable March 15 to stockholders of record Feb. 27, 1943.

Bank & Insurance Stocks

Continued from page 830

cline of $5,664,000 or 1.96%. Home's figures, however, distort the totals. With Home eliminated, the surplus of the 17 other companies show an increase of 4.13%, and unearned premium reserves an increase of 1.70%.

Six companies report moderate declines in year-end liquidating value per share, viz: Aetna, Agricultural, Home, Providence-Washington, United States Fire and Westchester, averaging 1.9%. The other 12 companies report increases averaging around 5%.

With marine and automobile insurance on a sharply reduced scale in 1943, it seems likely that those companies which have been active in building up business in these two fields, and suffered therefor in 1942, will turn their attention to increasing their proportion of premium writings in insurable fire risks which, this year, should reach a new high in volume.

Towne Securities Offers Interesting Situation

The 7% cumulative preferred stock of Towne Securities Corp. offers interesting possibilities at current levels according to a circular issued by J. L. Schiffman & Co., 60 Broad St., New York City. Copies of the circular may be had from the firm upon request.

Fifty Dividend Payers

R. H. Johnson & Co., 64 Wall St., New York City, have prepared a list of 50 dividend paying common stocks selling under $10 a share. Copies of this interesting list may be obtained from the firm upon request.

House Group Favors 20% Withholding Tax On Wages As Part Of Pay-As-You-Go Plan

(Continued from first page)

from their income by the 20% levy than the total amount of their taxes they would receive rebates; if the withholdings were short of actual taxes, then the taxpayers would make up the difference.

Colin F. Stam, head of the Congressional staff on Federal taxation explained that each wage and salary earner could compute his weekly withholding levy as follows:

Victory Tax—Deduct $12 from earnings and multiply the remainder by 3%. Thus a person, married or single, making $50 a week would pay $1.14 weekly on the first division of the withholding levy.

Income Tax—The weekly deductions would amount to $11 for a single person, $13 for a married person with employed spouse, $26 for a married person with spouse not employed, and $8 for each additional dependent. Thus a married man making $50 weekly, with no children and his wife not working would deduct $26 from the $50, and multiply the remaining $24 by 17%, making his weekly deduction on the second division of the withholding levy $4.08.

Hence a married man making $50 weekly with no children and wife not working would pay $1.14 plus $4.08, a total of $5.22.

The sub-committee was appointed on Feb. 19, after the full Ways and Means Committee had voted down all major proposals before it for current tax collections. The sub-group was instructed to draft a bill that would place income taxes on a current basis, with collections to be withheld at the source.

After two weeks of public hearings and one week of executive session, the Ways and Means Committee was unable to reach a decision on the controversial problem of what to do about 1942 taxes if taxes on 1943 income are to be put on a current basis—the plans involving full cancellation, deferment, or doubling up.

Rejected by the full committee were (1) a modified version of the Ruml plan to provide that a taxpayer would be obligated for the one of the two years, 1942 or 1943, in which his taxable income was highest; (2) the Doughton plan to forgive one-half of 1943 or 1942 tax payments, according to which might be chosen; (3) the Alternative Doughton plan to apply 1941 tax rates to 1942 income; (4) the Robertson plan to forgive up to 19% of the 1942 tax payments.

The plan originally proposed by Beardsley Ruml, Chairman of the Federal Reserve Bank of New York, to forgive one-year's tax liability was not actually considered by the House Committee but a compromise plan, sponsored by Representative Carlson (Rep., Kan.), was rejected instead. Under the Carlson plan, persons with gross incomes of $5,000 or less would be required to pay their tax on 1943 income, while all the rest would pay on the basis of their income in whichever of the two years, 1942 and 1943, their receipts were the highest.

Representative Doughton (Dem., N. C.), Chairman of the Ways and Means Committee, first suggested that the pay-as-you-go transition be facilitated by applying the 1941 rates and exemptions against 1942 income, with the remaining 1942 obligations to be amortized over a limited number of years, while the taxpayers also were remitting on current years' taxes.

After Treasury criticism of this plan, Mr. Doughton offered his second possible compromise, suggesting the abatement of half the 1943 tax obligation, with all of 1942 and half of 1943 to be paid in full.

The Treasury's views on pay-as-you-go tax legislation were referred to in these columns Feb. 4, page 490.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on March 1 that tenders for $700,000,000 of 91-day Treasury bills to be dated March 3 and to mature June 2, 1943, which were offered on Feb. 26, 1943, were opened at the Federal Reserve banks on March 1.

Details of the issue follow:

Total applied for, $1,394,541,000.

Total accepted, $701,274,000.

Range of accepted bids:

High, 99.930, equivalent rate of discount approximately 0.277% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

Average price, 99.907, equivalent rate of discount approximately 0.369% per annum.

(12% of the amount bid for at the low rate was accepted.)

There was a maturity of a similar issue of bills on March 3 in amount of $503,206,000.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange announces the following weekly firm changes:

Transfer of the Exchange membership of M. Hubert Hilder to Louis J. Singer will be considered by the Exchange on March 11. It is understood that Mr. Singer will act as an individual floor broker.

John G. Stewart retired from Stewart, Vose & Co., New York City, effective Feb. 20.

Walter S. Robertson withdrew from partnership in Scott & Stringfellow, Richmond, Va., effective Feb. 28.

Alexander Berliner retired from partnership in Wasserman & Co., New York City as of Feb. 28.

Tomorrow's Markets Walter Whyte Says——

Continued from page 829

value. And the statistician was convinced that only figures could tell the secret. My considered opinion is that all three contributed to the art of market forecasting. Yet, whatever they contributed to past markets no longer applies today. Or if it does its influence is comparatively small.

* * *

Your tape reader nurtured on markets dominated by shoe string margin participation is up against new conditions. Margin requirements and SEC regulations have changed the picture. His ability to read of coming events as pictured in the clackety-clack of the ticker has also dwindled. World markets have been shut by the war. The flow of capital from country to country is no longer free. The war has changed all that.

* * *

The chart reader is faced with the same problems. Old patterns as a guide to future action are meaningless. But if the tape and chart readers are up against it the statisticians, are equally ineffectual. No set of figures today no matter how well presented can give a clue to what the future holds.

* * *

Inflation is here. It has already appeared in your grocery bills. The only place it has not hit is the stock market. In the old days the stock market would have been the first to be affected by it. It may do it yet but if it does it will do few of us much good.

* * *

It seems to me that the only policy for traders to follow is to hold on with clenched teeth and let systems go hang.

* * *

If you have sizable profits protect them with stops. If you have losses better cut them and sit back and rest awhile. For at this stage any holding of a loss may bring heavier losses than you originally bargained for.

* * *

Last week this column warned against a potential reaction. In the old days I would never have given such warnings. I would have flatly told people to get out of long stocks and take short positions. Today the SEC ban on short selling at any but advancing prices makes such advice pointless. No one will follow it, for few people sell on rallies. They sell on declines. And on reactions you just can't go short.

* * *

On the other side of the picture the presence of large cash position detracts from the dangers of a sudden collapse. At least, that is the popular belief. But because people sell today because they want to rather than have to makes the dangers of a break based on surprise news that much more acute.

* * *

Some readers have taken me to task for shillyshallying in the past few weeks and for my refusal to take a definite stand. The answer is in the figures. Stocks recommended months ago have gone up in some cases as much as 20 points. I have persistently kept readers long but have always tempered the optimism with warnings in the shape of "stops." As prices advanced I moved these "stops" up. Any reader who followed this column has profits to show today. And if a reaction should have come and his "stops" taken he still would have had profits.

* * *

The same condition exists today. I don't like this market. I think it's in for a major break, but the only concession I make to this opinion is to stop buying—and to raise stops. A State Department Shangra-La foreign policy and a Congress with the bit in its teeth is wholly unpredictable. The market no longer shouts warnings. It implies. I can do no more than follow it with "stops." Here they are: Air Reduction (bought 30) stop 42. BS (bought 58) stop 59. Goodyear (bought 22) stop 28. Harvester (bought 43) stop 59. Superheater (bought 13½) stop 15. Steel (bought 50) stop 51.

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

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UP-TOWN AFTER THREE

By BILL SMITH

SCREEN

In reading the ads about the new MGM picture, **"The Human Comedy,"** adapted from William Saroyan's book, you get the idea the plot is pixyish. Nothing could be further from the truth. For while it shows a small boy's viewpoint of a world and its gradually unfolding mysteries there is nothing pixyish about it. "The Human Comedy" is really a fine adult movie with a universal appeal. It deals with life and death, its comedies and tragedies, with a tender, soft touch. Its humanity is as American and as world-wide as the Bible. Its combination of simplicity, almost childish naivete, mixed with the hard economic and social realities of an American people at war is at once heart-warming and heart-wringing.

Set in the small California town of Ithica, "The Human Comedy" deals with a poor family, the Macauleys. Mr. Macauley, dead two years, has left a heritage of kindly understanding and fond memories behind him. Mrs. Macauley, a gracious, hard-working woman, knows life and its problems and can explain it in simple, almost lyrical, terms to her children. Her youngest, a five-year-old boy, Ulysses, sees life with the wide-open eyes of childhood to whom every experience is a thrilling adventure. To Ulysses the future is incomprehensible. The past is dim. With a child's curiosity his life is all in the present. The next to the oldest boy is Homer, a high school lad who works nights as a messenger boy in the local telegraph office. Barely out of his childhood, he yearns to win the 220-yard low hurdles at school, while at the same time he is brought face to face with life's tragedies. The oldest boy, Marcus, is in the Army. A wholesome youth, he yearns for home, his girl, and the town he knows so well.

In the telegraph office where Homer works after school there is old Willie Grogan, the telegrapher whom life has passed by. Once the record holder of sending and receiving laurels, he is now a broken, lonesome old man afraid of losing his job and drinks to forget his fears. The manager of the office is an ambitious, unpredictable young man with a contempt for conventions. He is Homer's hero.

Then there is little Lionel, who everybody calls stupid. He can't read but goes to the library just to admire the books. Or he stands in line in front of the movie house, not that he wants to go in but because he is lonesome and joins the crowd for company. There is Tobey George, Marcus' Army buddy, an orphan nostalgic for the things Marcus describes, never having had them himself.

The story is full of human touches. Some excite wholehearted laughter; others will make you cry unashamed. William Saroyan's self-acclaimed genius and Clarence Brown's production and direction of "The Human Comedy" brings a superb story to the screen.

The cast is headed by Mickey Rooney with Frank Morgan, Fay Bainter, Van Johnson, Tom Spangler and others. But the one you will hear most about is little Jack Jenkins, who plays Ulysses. His performance will win your heart.

Put "The Human Comedy" at the top of your list. No similar picture in recent years can compare with it.

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OFFERINGS

CENTRAL STEEL & WIRE CO.

Central Steel & Wire Co. has filed a registration statement with the SEC covering 125,000 shares of common stock, par value $5 per share. The stock is already issued and is being sold for the account of certain stockholders.

Address—3000 West 51st St., Chicago.

Business—The company is in the business of the warehousing, initial processing and distribution of steel and nonferrous metals, and the representation of mills on a commission basis.

Offering—Offering price to the public will be supplied by amendment. It is expected to offer the stock as soon after the effective date of the registration statement as possible. The shares to be offered are at present outstanding and are to be offered for the following accounts: H. R. Curran 108,743 shares and Mandel Lowenstine 16,257 shares. Mr. Curran is at present president and director of the company. He has delivered to the company his resignation as a director and president to be effective upon the sale to the underwriters of the common stock offered hereunder. Statement says that it is anticipated that immediately upon the completion of such sale, Mr. Lowenstine who is at present executive vice-president, treasurer and director, will become president and director of the company.

Underwriting — The underwriters are Paul H. Davis & Co. and Bacon, Whipple & Co., both of Chicago, each with a total of 62,500 shares. Subject to certain terms and conditions the underwriters agree to purchase the common stock at $7 per share from the selling stockholders.

Proceeds—To the selling stockholders.

Registration Statement No. 2-5091. Form A-2 (2-8-43).

Registration effective 4:30 p.m. (EWT) on Feb. 22, 1943.

Offered Feb. 25, 1943, at $8.50 per share by Paul H. Davis & Co., Bacon, Whipple & Co., A. C. Allyn & Co., Inc., Central Republic Co., Inc., Lee Higginson Corp., Kebbon, McCormick & Co., Ames, Emerich & Co., Inc., and Dempsey-Detmer & Co.

BURLINGTON MILLS CORP.

Burlington Mills Corp. has filed a registration statement for 65,000 shares of 5% cumulative preferred stock, par value $100 per share.

Address—301 North Eugene St., Greensboro, N. C.

Business — Corporation is engaged, directly and through subsidiaries, in manufacturing woven fabrics from rayon yarns and rayon mixtures, and, to some extent, from cotton yards; throwing and dyeing rayon yarns and, to some extent, cotton yarns; dyeing and finishing cloth, and selling the manufactured goods.

Offering—Price to the public will be supplied by amendment.

Underwriting — Lehman Brothers and Kidder, Peabody & Co., both of New York, head the group of underwriters. Price to be paid by the underwriters will be filed by amendment.

Proceeds—Net proceeds will be utilized, to the extent necessary, to redeem on or about April 5, 1943, all shares of cumulative convertible preferred stock, $2.75 series, and cumulative convertible preferred stock, $2.50 series, not theretofore redeemed, converted into common stock, or purchased by the corporation, and any balance will be applied to reimburse the corporation for the redemption price of the 21,725 shares of cumulative convertible preferred stock, $2.75 series, of the corporation called for redemption on March 1, 1943. Proceeds not utilized in the redemption of preferred stock will be added to the working funds of the company.

Registration Statement No. 2-5096. Form A-2 (2-18-43).

The corporation filed an amendment on Feb. 27 to its registration statement in which it names the underwriters for its proposed issue of 65,000 shares of 5% cumulative preferred stock, par $100 per share. The underwriters with the number of shares to be purchased are as follows: Lehman Brothers, 9,500; Kidder, Peabody & Co., 9,500; R. S. Dickson & Co., Inc., 7,800; Merrill Lynch, Pierce, Fenner & Beane, 7,800; Wertheim & Co., 6,200; A. G. Becker & Co., Inc., 3,800; Hallgarten & Co., 3,800; Union Securities Corp., 3,800; Dean Witter & Co., 3,800; Alex. Brown & Sons, 1,600; Laurence M. Marks & Co., 1,600; Mitchum, Tulley & Co., 1,600; Scott & Stringfellow, 1,200; Folger, Nolan & Co., Inc., 1,000; G. H. Walker & Co., 1,000, and the Wisconsin Company, 1,000.

Offered March 3, 1943, at $104.50 a share, plus dividend.

DEERFIELD PACKING CORP.

Deerfield Packing Corp. has filed a registration statement with the SEC for $1,250,000 5% sinking fund debentures due Dec. 1, 1954, and 47,215 shares of common stock, without par value. Of the stock registered, 35,715 shares will be reserved for issuance upon exercise of conversion rights with respect to the debentures, and the remaining 11,500 shares will be offered for sale. Company states that it is possible that due to future adjustments in the conversion price, not now anticipated, more than 35,715 shares will be required for issuance upon exercise of conversion rights, and it is intended that present statement shall cover, such additional shares, of any, as may be required for issuance upon exercise of the conversion rights.

Address—Bridgeton, N. J.

Business—Company is engaged primarily in the manufacture of quick-frozen vegetables. The major portion of its frozen products is quick-frozen by the Birdseye process, but the company has developed and uses other processes for quick-freezing for customers who require large packages of frozen vegetables or loose frozen commodities.

Offering—Offering price to the public of the debentures and shares of common stock will be furnished by amendment.

Underwriting—E. H. Rollins & Sons, Inc., is principal underwriter for the debentures with others to be named by amendment. E. H. Rollins & Sons, Inc., is named underwriter for the common stock.

Proceeds—About $487,000 of the net proceeds from the sale of the debentures and common stock are to be used to discharge the balance of $480,000 due on a bank loan in the amount of $600,000, together with accrued interest and premium thereon. Balance are to be added to the company's general funds.

Registration Statement No. 2-5078. Form A-2. (12-29-42)

Registration effective 5 p.m. (EWT) on Feb. 26, 1943, as of 5:30 p.m. (EWT) on Jan. 17, 1943.

Offered March 1, 1943, by Central Republic Co. (Inc.), E. H. Rollins & Sons, Inc., and A. C. Allyn Inc., the debentures at 100 and int. and the common stock at $28.50 per share.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, MARCH 4

THIOKOL CORPORATION

Thiokol Corporation has filed a registration statement with the SEC for 102,000 shares of common stock, per value $1 per share.

Address—780 North Clinton Ave., Trenton, N. J.

Business—Company is actively engaged in research looking to the improvement of the qualities of its existing products and to the discovery and development of additional types of "Thiokol" synthetic rubbber.

Offering—The 102,000 shares registered will be offered pro rata to stockholders after the effective date of registration at a price to be fixed by amendment.

Underwriting—On Feb. 3, 1943, the company entered into an underwriting agreement with J. G. White & Co., Inc., which provides among other things that it will amend its certificate of incorporation so that its capitalization will be 500,000 shares of common stock, par $1 per share, of which 204,000 shares will be issued to present stockholders on basis of three shares of $1 par common for each of the 68,000 outstanding shares of common without par value. The company will sell to the underwriters such common stock as are not subscribed for by stockholders at a price to be filed by amendment.

Proceeds—Net proceeds from sale of the shares will be used to increase the company's working capital. Some portion of working capital may be devoted to additional research and development.

Registration Statement No. 2-5093. Form S-1 (2-13-43).

In an amendment filed corporation fixes the price at which the 102,000 shares of new common stock are to be offered to present common stockholders at $5 per share. Offering will be on the basis of one share of new stock, $1 par, for each two shares outstanding as of Feb. 13, 1943, when company was recapitalized by the issuance of three shares of common, par $1, for each of the 68,000 shares of common without par value then outstanding.

The company has agreed to sell to J. G. White & Co., Inc., as underwriter, at a price of $5 per share, all of the 102,000 shares of common which are not subscribed for by the present stockholders. The underwriters are to be paid a fee or commission of 75 cents per share for each share taken up and paid for, and a fee of 25 cents per share as a "standby underwriting fee" on each share that is taken up by the stockholders.

Certain stockholders, including Case, Pomeroy & Co., Inc., have agreed to waive their preemptive rights to subscribe to a total of 42,558 shares, so that at least 42,558 shares will be available to the underwriters for offering to the public. The company has been informed by the Dow Chemical Co. that it does not know whether it will exercise its rights to subscribe for any shares of stock.

As of Feb. 1, 1943, Dow Chemical Co. owned 31% of the common stock, and Case, Pomeroy & Co., Inc., New York, owned 22% of the common.

Net proceeds from sale of stock will be used to increase company's working capital.

870 SEVENTH AVENUE CORP.

870 Seventh Ave. Corp. has filed a registration statement with SEC for certificates of deposit for $4,055,200 4½% general mortgage (income) bonds.

Address—870 Seventh Ave., N. Y. City.

Business—Hotel.

Offering—Date of proposed call for deposits as soon as practicable after the effective date of registration statement and of a registration statement filed concurrently on Form E-1.

Purpose—To modify bonds under a plan of modification. The agreement provides that the plan shall become automatically effective if at any time prior to May 2, 1943, the holders of 80% in face amount of general mortgage bonds shall have assented thereto; that no right of withdrawal of bonds deposited shall exist prior to May 2, 1943, nor thereafter if the holders of 80% in face amount of general mortgage bonds shall have assented to the plan prior to said date.

Registration Statement No. 2-5094. Form D-1 A (2-13-43).

SATURDAY, MARCH 6

GALVIN MANUFACTURING CORP.

Galvin Manufacturing Corp. has filed a registration statement for 40,000 shares of common stock, par value $1 per share. The shares are issued and outstanding and are being sold for the account of certain stockholders.

Address—4545 Augusta Boulevard, Chicago, Illinois.

Business—Company's normal business is the manufacture and sale of radio receiving sets. Beginning with the year 1942 more and more of company's production capacity was devoted to the manufacture of equipment for various arms of the U. S. Government. In May, 1942, the production of radio receiving sets for civilian use was stopped entirely.

Underwriting—Hickey & Co., Inc., and Paul H. Davis & Co., both of Chicago, are named as underwriters of 20,000 shares each. By an agreement entered into between the underwriters, Paul V. Galvin and Harris Trust & Savings Bank, executors of the estate of Lillian A. Galvin, deceased, the underwriters have agreed to purchase the shares being registered at $7 per share.

Offering—Public offering price is $8.50 per share.

Proceeds—To selling stockholders.

Registration Statement No. 2-5095. Form A-2 (2-15-43).

TUESDAY, MARCH 9

INVESTORS FUND, INCORPORATED

Investors Fund, Incorporated, has filed a registration statement with the SEC for an indeterminable number of full paid certificates which will be issued in principal amounts of $100 or more. However, the aggregate principal amount of certificates covered by this registration statement is $500,000.

Address—1016 Baltimore Avenue, Kansas City, Mo.

Business—Investment trust.

Underwriting—Sponsored by Investors Fund, Inc.

Offering—Upon the effective date of the registration statement.

Proceeds—For investment.

Registration Statement No. 2-5097. Form C-1 (2-18-43).

WEDNESDAY, MARCH 10

PACIFIC MUTUAL LIFE INSURANCE CO. OF CALIFORNIA

A. C. Balch, F. E. Rand and Leslie Waggener as the Pacific Mutual Shareholders Protective Committee have filed a registration statement with the SEC for voting trust certificates for 508,200 shares of common stock, par $1 per share, of Pacific Mutual Life Insurance Co. of California.

Address — Of issuer, 626 South Spring St., Los Angeles, Cal. Executive office, 523 West Sixth St., Los Angeles, Cal.

Business—Life insurance.

Purpose—The agreement places no limitation upon the powers of the committee to vote the shares held by it. However, one of the main objectives of the committee is to vote the securities held by them in connection with the said so-called plan and agreement of rehabilitation and reinsurance and mutualization affecting the Pacific Mutual Life Insurance Co. of California.

Registration Statement No. 2-5098. Form F-1. (2-19-43).

THURSDAY, MARCH 11

WELSBACH ENGINEERING & MANAGEMENT CORP.

Welsbach Engineering & Management Corp. has filed a registration statement with the SEC for $493,000 collateral trust 5% ten-year sinking fund bonds.

Address—1500 Walnut St., Phila., Pa.

Business—Registrant is a holding and managing company which owns all the stock and manages its subsidiaries. These subsidiaries, in part, are engaged in the installation and maintenance of street lighting systems, gas or electric, in approximately 37 cities and communities in New England, Middle Atlantic and Mid-Western States, and in general electric construction work.

Underwriting—Barrett Herrick & Co., Inc., New York City, is named principal underwriter.

Offering—Bonds are to be offered to the public at 83% plus accrued interest from Jan. 1, 1943, to date of delivery.

Proceeds—The estimated proceeds from the sale of the bonds, after deducting underwriting commissions and expenses, will be $345,100. At present the corporation has outstanding $493,000 face amount of 6% collateral trust sinking fund bonds, all of which are held by the United Gas Improvement Co. The UGI has granted Welsbach an option to purchase all of said outstanding bonds exercisable on or before May 15, 1943, for the sum of $345,100 with interest from Jan. 1, 1943. The estimated net proceeds resulting from the sale of the bonds now being registered will be applied to the exercise of this option.

Registration Statement No. 2-5099. Form A-2 (2-20-43).

SUNDAY, MARCH 14

KNUDSEN CREAMERY CO. OF CALIFORNIA

Knudsen Creamery Co. of California has filed a registration statement for $500,000 first mortgage serial bonds, bearing interest of 4½% and maturing serially from March 1, 1944, to March 1, 1955.

Address—1974 Santee St., Los Angeles, Cal.

Business—Engaged in the general business of buying and selling milk and its derivatives; processing and marketing milk and products derived from milk; manufacturing, buying and selling butter, cheese, cream, buttermilk, cottage cheese, curds, whey, etc.

Offering—As soon as practicable after the effective date of the registration statement. Price to public will be filed by amendment.

Underwriting—Dean, Witter & Co., Los Angeles, Cal., is named as the principal underwriter.

Proceeds—Approximately $275,228 of the net proceeds will be devoted to the redemption of the entire issue of the company's first mortgage convertible 5½% sinking fund bonds. Such bonds are to be called for redemption on May 1, 1943, at 102½ plus accrued interest. Balance of net proceeds will be added to company's working capital.

Registration Statement No. 2-5100. Form A-2. (2-23-43).

WEDNESDAY, MARCH 17

NEW YORK STOCKS, INC.

New York Stocks, Inc., has filed registration statement for 1,000,000 shares of special stock, par value $1 per share.

Address — 15 Exchange Place, Jersey City, N. J.

Business—Investment trust.

Underwriting — Hugh W. Long & Co., Inc., is underwriter.

Offering—The corporation has presently authorized for issuance 21 series of special stock, each representing a separate industry or business. Government bonds series is not presently offered for sale to the public, but is available for issue only on conversion of outstanding special stock of other series. Offered to the public at market prices.

Proceeds—For investment.

Registration Statement No. 2-5101. Form S-1. (2-26-43).

(This list is incomplete this week)

Harris, Hall & Co. Financial Statement

In the annual report to the stockholders of Harris, Hall & Co. (Inc.), of Chicago, for the calendar year 1942, President Edward B. Hall on Feb. 18, 1943, said in part: "Our company participated in a large percentage of the principal corporate bond underwritings that were arranged during the year, but as might be expected in war time, new financing by issuers other than the Government came on the market in relatively small volume. The demand for conservative investments of the type in which we have specialized was good throughout the year, as indicated by the fact that prices for many long-term issues gradually advanced. It was the limited supply that restricted the business. Total income exceeded expenses and losses by only a nominal amount.

"Expenses were about 30% less than in the previous year.

"All of the company's preferred stock, originally issued in the amount of $250,000, has been reacquired and is now held in the Treasury. The retirement of this stock was commenced in 1941 and half of it was acquired during that year. The rest was purchased in 1942. The average cost for the whole amount, including accrued dividends to dates of acquisition, was 107.057, or slightly less than the redemption price of 107.50 and accrued dividend.

"In 1941 we purchased in the market 1,000 shares of our common stock at about $10 a share, and this amount was cancelled. In 1942 further purchases of common stock were made in the amount of 2,060 shares at an average cost of $11.21 a share. A few more shares have been purchased since the end of the year and the directors consider it desirable to make further purchases as opportunities arise, because our present capital seems adequate for the needs of the business."

SUMMARIES OF INCOME AND EXPENSES AND EARNED SURPLUS
FOR YEARS ENDED DEC. 31

	1942	1941	1940
†Gross profits on sales and commissions earned	$173,987	$216,333	$578,914
Interest and dividends earned (net)	27,497	143,386	32,861
Total income	$201,484	$359,719	$611,775
Salaries	128,954	165,636	183,953
Taxes other than income taxes	10,544	27,884	25,332
Contributions to employees' trust fund	708	4,463	12,225
Office, traveling, legal and other miscell. expenses	47,423	72,322	78,958
Net income from operations	$13,855	$89,413	$311,307
Provision for income taxes	400	4,608	99,420
Net income carried to earned surplus	$13,455	$84,805	$211,887
Balance earned surplus at close of previous year	363,301	337,684	265,297
Total	$376,756	$422,489	$477,184
Dividends on preferred stock	2,601	13,438	17,500
Dividends on common stock	------	45,750	122,000
Balance earned surplus at Dec. 31	*$374,155	$363,301	$337,684

*Earned surplus is restricted to the extent of the cost of treasury stock ($290,739) until such stock is sold or canceled. †After deducting losses realized and adjustment of securities owned to the lower of cost or market.

BALANCE SHEET, DEC. 31

ASSETS

	1942	1941	1940
Cash in banks and on hand	$267,802	$435,810	$246,887
Interest accrued and dividends receivable	6,014	8,383	6,579
†Securities owned:			
Bonds—			
‡U. S. Government	§274,420		
Other	¶530,131	853,069	956,246
Stocks	**108,384	60,573	222,623
Joint accounts:			
††Bonds, at cost	------	------	‡‡1,451,082
Advances	------	------	4,564
Deposits under security underwriting commitments	19,500	18,000	------
Miscellaneous receivables, prepaid expenses, etc.	5,707	7,171	6,768
Total	$1,211,959	$1,383,006	$2,894,749

LIABILITIES

	1942	1941	1940
Bank loan	------	------	$1,280,000
Accounts payable	$2,637	$5,272	11,702
Customers' payments on securities not delivered	7,107	23,448	31,584
Accrued taxes other than Federal income taxes	1,417	4,038	4,278
Provision for Federal income taxes	445	2,973	99,375
Preferred dividends payable	------	1,563	3,125
Capital stock:			
5% cumulative preferred stock (par $100)	250,000	250,000	250,000
Common stock (par $10)	600,000	610,000	610,000
***Capital surplus	266,937	267,000	267,000
Earned surplus	374,155	363,301	337,684
Less treasury stock at cost	§§290,739	144,589	------
Total	$1,211,959	$1,383,006	$2,894,749

*Including $20,000 in 1942 and $50,000 in 1941 in special account to cover customers' payments on securities not delivered. †At the lower of cost or quoted market price. ‡Including bonds carried at $24,420 deposited as guarantee. §Quoted market value, $274,420. ¶Quoted market value, $532,187. **Quoted market value, $109,071. ††Pledged as collateral to bank loan. ‡‡Quoted market value, $1,457,250. §§Represented by 2,500 shares of 5% preferred stock ($267,644) and 2,060 shares of common stock ($23,095) at Dec. 31, 1942, and by 1,250 shares of 5% preferred stock ($134,526) and 1,000 shares of common stock ($10,063) at Dec. 31, 1941. ¶¶All in treasury. ***Arising from excess of cash received over par value of common stock issued therefor.

NOTE—Security underwriting commitments at Dec. 31, 1942, were approximately $980,000, compared with $1,090,000 at close of 1941.

Blair & Co. Reports Net Profit of $213,782 In '42

John R. Montgomery, President of Blair & Co., Inc. in releasing figures for the year ended Dec. 31, 1942, stated that operations for the year resulted in consolidated booked profits of $301,680 and after adjustment of reserves for unrealized depreciation there was net profit of $213,782. This net profit increased the net worth of the firm by over 25% to a year-end valuation of $1,042,228.

Two main factors contributed to the satisfactory results reported for the year, Mr. Montgomery said. "The United States Government bond branch of our business was particularly active and its operations throughout 1942 were most successsful and profitable," he stated. "Its holdings at the end of the year consisted almost entirely of Treasury bills, certificates of indebtedness and other short and intermediate term United States Government obligations. The other factor contributing to the year's profitable operation was a further substantial reduction in operating expenses."

Commenting on the nation-wide decline in municipal and corporate underwritings during 1942 as compared with those in 1941, Mr. Montgomery stated that such decline was to be expected with the country's attention directed toward the prosecution of the war.

"During the last few months our trading departments have been particularly active and I am pleased to report that operations of all departments so far in 1943 have shown exceptionally good results," he said.

The condensed consolidated balance sheet of the firm as of Dec. 31, 1942 follows:

ASSETS		
Cash		$221,407.31
*Accounts receivable for securities sold, customers accounts, syndicates, etc.		56,144,315.84
*†Securities owned—(at approximate market price):		
U. S. Government securities		38,852,172.19
Municipal bonds and corporate bonds and stocks		1,421,600.34
Other securities (no quoted market price), at estimated fair value		259,684.89
U. S. Government securities borrowed:		
Against securities (per contra)		1,818,360.00
Against cash deposits		2,040.00
Investment in subsidiary—wholly owned—not consolidated—at indicated equity value of net assets		35,588.45
Furniture and fixtures, less depreciation		10,102.62
Deferred charges—taxes, insurance, stationery, etc.		16,867.95
		$98,782,139.59
LIABILITIES		
‡Bank loans payable on demand—secured		$70,485,222.14
‡Liabilities for U. S. Government securities borrowed at approximate market value of collateral—secured		1,818,360.00
Cash deposits against securities loaned and participations in syndicate accounts		304,510.00
*Accounts payable—for securities purchased, customers accounts, syndicate accounts, etc.		24,531,452.31
Securities sold but not purchased—at approximate market price		405,754.43
Miscellaneous accounts payable and accrued expenses		37,487.99
§Reserve for contingencies		157,124.40
Capital Stock—$1 par value:		
Authorized and issued	$1,471,012.00	
Less—In treasury	22,012.00	
	$1,449,000.00	
¶Capital Surplus—Balance Dec. 31, 1939	192,648.68	
	$1,641,648.68	
Deduct—Losses for 1940 and 1941	813,201.97	
	$828,446.71	
Add—Profit for 1942	213,781.61	
Net Worth		1,042,228.32
		$98,782,139.59

NOTES

*Securities purchased and sold on a "when issued" basis are included in the balance sheet; the profit arising from the sales has not been taken into 1942 income nor into surplus.

†Provision has been made by charges against profit and loss or surplus accounts for (1) unrealized depreciation in securities based upon market prices, and (2) excess of carrying value of other securities without quoted market prices over their estimated fair value in the opinion of directors.

‡Security to bank loans (having an approximate market value of $71,032,000) consisted of bonds and stocks owned, borrowed, sold but not delivered, or carried in syndicate accounts. Collateral deposits to secure indebtedness for securities borrowed consisted of U. S. Government bonds owned or sold but not delivered.

§Contingent liabilities include possible liabilities under various indemnity agreements, claims and litigated matters, the amount of which (and therefore the adequacy of the above reserve for contingencies) cannot now be determined. During 1942 the reserve was reduced approximately $10,500 by charges to cover legal fees, including those paid by the subsidiary company not consolidated, incidental to the litigated matters.

¶Represents balance remaining in Capital Surplus account after deducting operating deficits to Dec. 31, 1939.

McDonald-Coolidge Buys Remaining Assets Of First-Central Trust Company Of Akron

The remaining assets of the old First-Central Trust Company of Akron, Ohio, have been bought for $8,850,000 by McDonald-Coolidge & Co., Cleveland investment firm, in a sale reported to be "one of the biggest transactions of its kind ever handled in Ohio."

The sale price was $831,000 higher than McDonald-Coolidge's original bid, an increase resulting from re-bidding by McDonald-Coolidge, F. W. Drybough & L. N. Simpson of Louisville, and Coleman, Harris & Associates of Cincinnati. According to C. B. McDonald, President of McDonald-Coolidge & Co., his firm's original bid had been based on appraisals of Dec. 1, 1942 and appreciation of assets since that time enabled them to increase their bid.

The approved sale price was $1,300,000 more than enough to pay off claims of depositors of the old bank in entirety, it was said. Depositors already have received 65%.

Listed among the assets are 76,000 shares of stock in the new First-Central Trust Co., which carries controlling interest. No changes were planned in personnel and management of the bank, Mr. McDonald declared.

Following the approval of the sale by Summit County Common Pleas Judge Frank H. Harvey William J. Laub, Akron lawyer and a former mayor, filed an action in Common Pleas Court in order to secure a judgment from the Court as to what persons and in what amounts the Superintendent of Banks should pay the proceeds.

D. D. Jaffin Joins Ira Haupt Bond Dept.

Ira Haupt & Co., 111 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges, announce that Dudley D. Jaffin has become associated with their firm in the Bond Department. Mr. Jaffin was formerly manager of the Real Estate Department of M. S. Wien & Co.

H. H. Robertson Common Situation Interesting

Wertheim & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges, have prepared an analysis of the common stock of the H. H. Robertson Co., copies of which may be had from the firm upon request.

British Columbia Offers Interesting Features

An interesting descriptive circular on the Province of British Columbia has just been issued by Wood, Gundy & Co., Inc., 14 Wall St., New York City, copies of which may be had from the firm upon request.

Airey Heads NAM Group On Post-War Problems

Creation of a special group of wellknown industrialists to make an intensive study of domestic post-war transition period problems was announced on Feb. 21 by the National Association of Manufacturers. The group, under the Chairmanship of John Airey, President of King-Seeley Co., Ann Arbor, Mich., and a director of the Association, will function ultimately as a sub-committee of the much larger NAM Post-War Problems Committee.

Pending complete organization of the latter committee, Mr. Airey's group will hold its first meeting in Chicago on March 3 to map the course of its studies and plan frequent meetings until a basis for specific recommendations has been reached.

Chief among the problems to which the group will devote itself are the following:

"1. The extent to which wartime controls should be continued after the peace.

"2. Various deferred-buying plans.

"3. Demobilization of the armed forces on a gradual basis.

"4. Status of government contracts when the war ends, with special attention to policies which would avoid a repetition of post-World War I exeperiences when war contracts were cancelled with no uniform provision for prompt adjustment."

The Red Cross has Problems like your own

—of Planning

Your Red Cross operates a vast planning program to enable it to be ready for any disaster or emergency anywhere—whether it comes in the Americas, Europe, Australia, Asia, or Africa.

—of Organization

Your Red Cross is responsible for the smooth operation of 3,750 chapters and 6,000 branches, all engaged in the same enterprise of helping all who need help.

—of Personnel

Your Red Cross has tripled its staff since Pearl Harbor and has had to enlist the aid of and train over 6,000,000 volunteers in the principles of First Aid, Water Safety, Accident Prevention, Home Nursing, Nutrition, Nurse's Aideing, Mass Feeding, Motor Mechanics, and other subjects allied to our country's war effort.

—of Production

Your Red Cross is not only one of the world's foremost purchasers of supplies, but it has the immense distribution job of collecting millions of items from 10,000 different communities in the United States, assembling and storing them, and then shipping them to practically every country in the world. Last year your Red Cross shipped some $60,000,000 worth of food, clothing, and medical supplies to over 20,000,000 homeless people in foreign countries.

—of Finance

Your Red Cross, whose war-time and post-war expenses will run well into hundreds of millions, must account to the public for every penny it collects and puts to work. Its accounts are audited annually by the U. S. War Department.

The Red Cross faces the same problems as are in your business. With your support it can successfully meet them.

The Second War Fund is greater than the First, but no greater than the increased needs.

Business men can help with time and with money, as organizations and as individuals.

March is the Red Cross month . . . Cooperate with your Red Cross Chapter.

Your Dollars help make possible the

AMERICAN RED CROSS

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Our Reporter On "Governments"

By S. F. PORTER

The pattern for the April financing now seems to be taking definte form. . . . We've still plenty of time to go and we still may have our best-laid plans upset by unexpected news from the domestic or foreign fronts, but the "feelers" are out, the "talk" is beginning to appear aimed at creating a pre-financing psychology. . . . And remember, no longer is the Treasury intent on fooling the men who manage the Government market, buy the bonds and trade. . . . It knows the value of preparation in a period when multi-billion dollar deales are the rule. . . . It has learned the sad lesson of springing unpleasant surprises on a market which is so important to the war effort. (Don't ever forget October, when these lessons were so pointedly brought out). . . . And so, we now may take a chance and forecast that:

(1) The stated objective is $13,000,000,000 but the real aim will be to raise $15,000,000,000 to $16,000,000,000 in three weeks with the goal closing of the books by the third week of April. . . .

(2) A terrific campaign will be carried on to get subscriptions from country investors—individuals with cash on hand, corporations with reserves lying idle, small banks with considerable excess funds not yet invested in short-term notes or 10-year 2s. . . .

(3) The books will be reopened on the 2½s of 1968/63 or on a bond with a slightly longer date and a real drive will be started to place these in every city, town and hamlet. . . . A new issue of 10-year 2s, either with a straight maturity date or with a call date in 1953 and a maturity date in 1955, will be floated. . . . Maybe a short-term 1½ due in 1947 will be tried. . . .

(4) The "basket" will carry less issues this time and be simpler all around to do away with the still vast amount of confusion which exists. . . .

(5) A definite attempt will be made to "merge" the activities of the Treasury's War Savings Staff and the regional Victory Fund Committees to eliminate the totally unnecessary confusion here. . . .

(6) The Treasury will try to fix up the admittedly unsatisfactory advertising situation by alloting so many dollars for advertising to each region and adopting policies of cooperating with the banks which want to do more. . . .

(7) No commissions will be paid to volunteer salesmen working for the Victory Fund Committees. . . .

And there are lots more details, of lesser importance. . . . Surely, some of these predictions may be wrong! . . . The terms of the issue may be different than forecast here because of last-minute changes in opinion, or market level or because of personal considerations. . . . But presented above is the best analysis possible at this stage of the game on what's ahead for us and the market. . . .

A 2% BOND?

The issuance of a 10-year 2% bond last fall created one of the most definite divisions of opinion in the market of recent years. . . . The market wasn't ready for 10-year 2s at that time. . . . Most investors were taken by surprise because they had anticipated a 2¼% loan and the Treasury didn't bother to inform them of its revision until the last second. . . . The market was hurt by that sale. . . . Treasury representatives were forced to use pressure to inspire subscriptions. . . . The Federal Reserve System was compelled to enter the market and buy millions of bonds to support the price level. . . .

But that's past history. . . . Now the situation is different. . . . The point which has been disturbing market experts recently is the propriety of issuing a bond which may be too rich if it bears a 2% coupon and matures in 10 years! . . . Which just emphasizes again how much the market has improved. . . .

However, if Secretary Morgenthau is to issue a 2% bond, he can't go beyond the 10-year date, for he has set that as a maximum for bank purchases. . . . The 2s have acted remarkably well and the 1951/49 2s are holding up beautifully. . . . The average out-of-town bank seems partial to the date and interest, authorities report. . . . Thus the expectation of this loan in April. . . .

If the Treasury issues a straight 1953 bond, we'll have a taxable 2 to compare with tax-exempts outstanding and due around that time. . . . If it makes the bond a 1955/53 issue, we'll have a direct comparison between the tax-exempt 1955/53 2s, selling at 103½ and yielding 1.63 to call, 1.68 to maturity and the new bonds. . . . The 3-point differential should not be taken too seriously, though. . . . In fact, market experts believe the new 2s—taxable and bearing the terms suggested—would be worth about ½ point premium in the market after the books close. . . . That's nice and comfortable and normal. . . .

A NOTE?

Whether it's wiser to restrict the financing to a few major bond issues or to attempt to create a loan for everyman's needs is a point not yet decided upon. . . . Both sides have good arguments. . . . Both make sense. . . . The dominant idea of bond houses today, however, seems to be that the next borrowing should be limited more than the financing in December, for these reasons:

(1) There's still a tremendous amount of confusion around as to the meaning of these quarterly open market deals and the competition of the victory long-terms with the F and G war bond series hasn't helped any. . . .

(2) The simpler the deal, the easier it will be to sell the few issues available from coast to coast. . . .

(3) Too many investors got around the last financing and its purposes by putting funds into the certificates of indebtedness or the tax-anticipation notes, which really isn't what is wanted at all. . . .

So the odds favor a more restricted deal and more stress of what bonds are offered. . . . There will have to be a short-term, of course, to meet the special demands of some giant institutions but there doesn't have to be that variety of shorts. . . . So maybe the Treasury will solve it all by offering two bonds—the 2½s and the 2s and by tendering one short-term note or one certificate issue. . . . And that will be all. . . .

If it's to be a note, the longest maturity indicated at this market level would be a 1947 date. . . . Maybe September or so. . . . The 1½s of December 15, 1946, are selling today at 100.10 to yield 1.40% and the 1¾s of June 15, 1948, are selling at 100.14 to yield 1.65%, so the new 1½s could be placed in between. . . .

INSIDE THE MARKET

No important price fluctuations on either side of the market expected between now and April. . . . The supporting authorities are ready with aid, if needed. . . . And neither a rising market, disturbing term discussions for April, or a falling market, upsetting confidence, is to be desired. . . .

The 2½s are selling at 100.11 to yield 2.47 to call date in 1963 today. . . . Any buyer of them at this level is paying about 3/32 premium over the indicated interest return between now and the April borrowing for the privilege of being invested during this coming month. . . . It may be worth it for some institutions and obviously is, judging from the day-to-day demand. . . . All this is based on the assumption that the April operation will include another sale of the 2½s of 1968/63. . . .

Fact that 2½s have slipped back from 100.21 to 100.11 confirms belief that the books on these will be reopened. . . . Also action here sets an intriguing pattern of what happens to a bond issue that is subject to repeated offerings. . . . We've seen this rise-and-fall action several times now. . . . Since the tap 2½s first were sold last spring. . . .

New York banks still turning over large amounts of bills they buy every week to the Federal Reserve on repurchase agreements due to low level of their excess reserves. . . . There's something too directly inflationary about this. . . . The Treasury sells the bills to the member banks but the member banks in turn sell them immediately to the Federal Reserve—which isn't very far away from direct sales of bills by the Treasury to the Reserve. . . .

To Be Heller Partner

Louis Florsheim has been admitted to partnership in Stanley Heller & Co., 30 Pine Street, New York City, members of the New York Curb Exchange.

Now A Partnership

(Special to The Financial Chronicle)

KANSAS CITY, MO.—Piersol & Co., 1012 Baltimore Ave., is now a co-partnership, with L. G. Piersol, Mary E. Piersol and T. F. O'Brien, formerly officers, as partners.

Ft. Pitt Bridge Works
Common & 6s of 50
Sylvania Electric Products
Preferred
Mexican External
and Internal Loans
Mexican Interest Arrears Cfs.
Bought—Sold—Quoted
M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N.Y. HAnover 2-8780
Teletype N. Y. 1-1297

The Business Man's Bookshelf

American Agriculture, 1899-1939: A Study Of Output, Employment And Productivity—Harold Barger and Hans H. Landsberg — National Bureau of Economic Research, Inc., 1819 Broadway, New York City—Cloth—$3.00.

Banking System and War Finance, The—Charles R. Whittlesey—No. 1 in a special group of reports on "Our Economy in War"—National Bureau of Economic Research, Inc., 1819 Broadway, New York City—Paper.

Behind the Japanese Mask—Jesse F. Steiner—The Macmillan Co., 60 Fifth Ave., New York City—Cloth—$2.00.

Legal Oddities

THE OFFICIOUS STOCKHOLDER

The directors of the Ezzy Golf Club., Inc., were in an expansive mood.

"I move that we buy the Idylwyd Market Garden for $50,000," Director Doe suggested.

"Second the motion," Director Roe concurred, the motion passed without a dissenting voice, and the new estate was duly deeded to the Club.

Then a "kicking" shareholder employed a lawyer and made himself heard.

"What's your objection?" the directors demanded. "We certainly got that land at a big bargain."

"Our charter authorizes us to lease not more than 500 acres of land for not longer than 999 years and solely for a golf course. It gives us no authority to buy real estate outright, or anything as foreign to the objects of our incorporation as a market garden," the "dissenter" pointed out.

"Yes, but we've got it, and what are you going to do about it?" the directors demanded.

"Go into a court of equity and start suit to compel you to sell the land and divide the proceeds."

"No—nobody can compel us to do that except the State that granted our charter," the directors retorted, and the New York Court ruled that their point was well taken.

"The conveyance to the corporation was not void, but voidable only at the election of the State," was the reasoning of the court in a case reported in 40 N. Y. S. 499.

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The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

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THE FINANCIAL SITUATION

There is a current movement, strongly supported by the Government itself, demanding that the Administration insist upon an early if not immediate beginning of negotiations with the other United Nations concerning the terms of the peace. It is difficult to determine in what degree it is actually taking hold of the rank and file of the people. Hardly a day now passes that some official or some propagandist does not "harp on my daughter," but for the most part the cries appear to come from the same groups who have all along been eager to begin making the world over. There is, however, an element of real danger in the situation which should not be overlooked by those who prefer realism to vain searchings for Utopia. It would be unfortunate, we think, if to the already ardent desire of the Administration there were added a persistent popular demand for action which undertakes at this time to reach definitive agreements concerning peace settlements.

A Pandoras Box

So far as the idea has gained general support, it has doubtless done so largely as a result of misgivings about the attitude of various of our Allies. There is obviously good reason for such misgivings, but there never has been any good ground for supposing that they would see eye to eye with our day dreamers about many things in world politics. We have assumed the risk of another grave disillusionment at the end of this war, and that risk we must bear as well as we can. It will not be reduced by a premature opening of that Pandora's box of troubles. No one in his right senses can well suppose that we could bring pressure enough upon Mr. Stalin to cause him to bring his ideas of his western boundaries into conformity with our "four freedoms" and the like. The British have been at this business of bargaining, intrigue and applying pressure in world politics since long before we came into being as a nation. We should without question find difficulty even in existing circumstances in wringing what we want from them.

All over the world, indeed, problems of great difficulty and complexity await any attempt to institute the reforms upon which the Administration appears to have set its heart. Our present position is a strong one, but we should be more than foolish if we imagined it would enable us to "bull our way" through to our "objectives" at such a time as this. What we are more likely to accomplish if we try any such thing is to reduce seriously the effectiveness of the Allied effort to defeat our common enemies. It has from the first been obvious enough that the problems of merely making

(Continued on page 842)

An Economic "Maginot Line"

"For the past 10 or 20 years, and I don't blame this on the Democrats because I have heard more of it from the Republicans and business men than any other source, we have been obsessed with the economics of security. We have been thinking of stabilizing profits, keeping a fool from losing his money, social security, ironing out depressions, creating a situation where anybody who remained sober and didn't run off with somebody else's wife was assured of a comfortable old age.

"I am not opposed to any of these methods of social security or humanitarian measures. I only say that if your whole thinking is obsessed with the idea of security, the same thing will happen to your industrial structure that happened to the French Army that was obsessed with the idea of the Maginot Line. We must get back to the old economics of opportunity, of taking a chance, which made America great."—Thurman Arnold.

It is not often that we find a great deal in Mr. Arnold's utterances to commend.

We are certain, however, that in this instance the American people would do well to ponder his words carefully.

"Maginot Line" attitudes can be as disastrous in social and economic as in military matters.

Reviews Overtime Pay Requirements Under Wage-Hour And Public Contracts Laws

Questions arising under the mandatory 48-hour week for certain areas to release manpower for war industries impelled Administrator L. Metcalfe Walling of the Wage and Hour and Public Contracts Divisions of the U. S. Department of Labor to release recently a summary of those portions of the laws he administers having a bearing on payment of overtime. It was pointed out in the announcement that President Roosevelt's executive order establishing a minimum 48-hour week in the designated areas does not supersede or conflict with the Fair Labor Standards Act, the Walsh-Healey Public Contracts Act or any other Federal, State or local law on hours of work or overtime, Mr. Walling stated.

Since the War Manpower Commission announced the regulations which will implement the 48-hour week executive order, Mr. Walling said, the Wage and Hour Public Contracts Divisions have been flooded with questions from employers and employees as to who must and who need not be paid overtime under the Federal laws. He pointed out that the Fair Labor Standards Act requires basically that employees engaged in interstate commerce or the production of goods for interstate commerce must receive at least 30 cents an hour for all hours up to 40 each work week and time-and-one-half their regular rate of pay for all hours over 40. Employers of certain types of workers are, therefore, not subject to the overtime requirement.

Among these, Mr. Walling said, are the following:

Employees who are engaged in a bona fide executive, administrative, professional, or local retailing capacity or in the capacity of outside salesman.

Also exempt are employees engaged in any retail or service establishment, the greater part of whose selling or servicing is in intrastate commerce. Examples of this type of employee would be those working in home laundries, retail stores, dry cleaning plants, hotels, garages, barber shops or similar establishments.

Among others exempt are seamen, agricultural workers, switchboard operators of small telephone exchanges, certain employees engaged in the sea food and fishing industry, some employees of air-lines, street, suburban or interurban electric railways, local trolley or local motor bus carriers, or weekly or semi-weekly newspapers with a circulation of less than 3,000 the major part of which is in the county of printing and publication.

Exemptions also apply to persons employed within the area of production engaged in handling, packing, storing, ginning, compressing, canning, pasteurizing, drying, or preparing in their raw or natural state agricultural commodities for market or in making dairy products. Most employees of railway or motor carriers regulated by the Interstate Commerce Commission do not come within the overtime pay provisions of the Act, which is also the case with all employees of employers engaged in the first processing of milk into dairy products, in the ginning and compressing of cotton, in the processing of cotton seed, and in the processing of sugar beets, sugar-beet molasses, sugar cane, or maple sap into sugar or syrup. This exemption does not include the refining of sugar.

Mr. Walling also declared that certain workers are partially exempt from the maximum-hour provisions of the Federal Wage and Hour Law. Among them are employees in industries found by the Administrator to be seasonal. It is further announced:

"These employees may work up to 12 hours a day or 56 hours a week without payment of overtime rates for a period or periods not exceeding a total of 14 work-weeks in any one year. An exemption from the maximum-hour provisions also applies to such employees of employers engaged in the first processing, canning, or packing of perishable or seasonal fresh fruits and vegetables as are employed in any place of employment where their employers are so engaged. As to employers engaged in the first processing, within the area of production, of agricultural commodities during seasonal operations or in handling, slaughtering, or dressing poultry or livestock, such of these employees as are employed in any place of employment where their employers are so engaged, are exempt from the maximum-hour provisions of the Act for a

(Continued on page 846)

GENERAL CONTENTS

Regular Features

Page
Financial Situation 841
From Washington Ahead of the News 841
Moody's Bond Prices and Yields.... 849
Items About Banks and Trust Cos... 856
Trading on New York Exchanges.... 854
NYSE Odd-Lot Trading 854

State of Trade

General Review 842
Commodity Prices—Domestic Index. 854
Weekly Carloadings 855
Weekly Engineering Construction... 854
Paperboard Industry Statistics...... 855
Weekly Lumber Movement.......... 843
Fertilizer Association Price Index... 849
Weekly Coal and Coke Output...... 851
Weekly Steel Review............... 849
Moody's Daily Commodity Index.... 849
Weekly Crude Oil Production....... 851
Non-Ferrous Metals Market......... 850
Weekly Electric Output............. 851
Federal Reserve January Business Indexes and Summary.........843, 850
Living Costs Expand Slightly in January 850
Gross and Net Railroad Earnings in December 852
Cotton Spinning Operations in Jan. 847
Wholesalers' Sales, Inventories in December 851
Mortgage Recordings in November.. 849
Mortgage Lending Down 24% in 1942 846
American Zinc Industry Summary. *
Copper Institute Summary.......... *
Pig Iron Production............... *
Daily and Weekly Copper, Lead and Zinc Sales .... *

*These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in August 27, 1942, "Chronicle.")

Miscellaneous

Reviews Overtime Pay requirements. 841
Favor Suspending FDIC War Bond Sales Assessments 843

(Continued on page 856)

From Washington Ahead Of The News

By CARLISLE BARGERON

One of the most significant stories going about Washington these days, one that has caused a lot of eye-brow lifting and one that is being circulated by the President's friends, is that, figuratively, he has already given up the Presidency of this country and moved over to Geneva, or wherever it is that the United Nations are to maintain their headquarters and taken charge. Apparently he is still to remain President of this country in name because he would naturally have to have some sort of standing, or official connection with some country to be eligible to hold the top job in the United Nations organization.

It sort of recalls the experience which Bill Breen, President of the Federation of Labor, had when John Lewis got him expelled from the United Mine Workers. As a former mine worker and card-holder in this organization, Bill had risen to the Presidency of the Federation. Now, he did not have a card in any union, and it would have been unheard of for a man who didn't belong to a union himself to be the head of the federated unions and to be trying to sell trade unionism to others. So the musicians, as I recall it, made Bill a member of their organization.

Presumably this would apply to Mr. Roosevelt if he were to show up at a United Nations post-war meeting and not hold a card from any nation, so to speak. In order to avoid this, we are being told, he is going to hold onto the Presidency of the U. S., even for a fourth term. But so far as his actually acting as President of domestic affairs, we are being told, he has already quit. He has turned this job completely over to Jimmy Byrnes, who in spite of his title of Economic Director should be more accurately termed as the Executive Vice-President in charge of the Home Front. Never again, so the insistent stories go, will Mr. Roosevelt be concerned with domestic affairs whether he feels impelled to run for a fourth term or even a fifth.

This representation of the state of affairs, put forth, as I said before, by the President's friends, is the most interesting development in Washington in a long time. It is being put forward in connection with the round of fourth-term discussion that has been in progress the past several days. Apparently it was

(Continued on page 855)

THE FINANCIAL SITUATION

(Continued from first page)

our joint military efforts fully effective—even when our full attention is directed to that task—is difficult enough.

Unfortunate Obsessions

But whenever we begin to discuss postwar settlements, whether it be now or at some later date, we should do well first to rid our minds of some of the grandiose nonsense which appears to have found lodgment there. We must, first of all, free ourselves of the obsession that international peace is a matter of any sort of "machinery" or "mechanism." When the current crop of spellbinders begin with the sentence: "Never again must (or shall) we make the mistake, etc., etc.", they more often than not come quickly either expressly or by implication to an assertion that we, by failing to follow Wilson into his League of Nations, are in substantial part responsible for the present war. It is most devoutly to be hoped that the people are turning a deaf ear to such fallacious doctrine. It seems to us that nothing is more plainly written across the pages of history than that any international organization would inevitably have fallen before the crass and violent nationalism that flourished all over the world in the years that followed 1918.

Internationalism

Nor is there any substantial evidence—if there is any at all—that the nations of the world, including our own, are now ready to follow the idealists in any crusade of lilly-white internationalism. The Administration ever since it came into office 10 years ago has been preaching the encouragement of international trade, and it has for the same length of time been arranging special trade treaties avowedly designed for that purpose, yet none of the arrangements yet made and none that have been proposed are much better than a mockery of its protestations. There can be no question that Mr. Stalin is frankly and shrewdly concerning himself with the future of his own country. The British people, whatever vague beatitudes their public officials may on occasion indulge in, are plainly, deeply and almost exclusively pondering the world position and advantages of the British Empire when the firing has ceased. To dream of some international group wholly disengaged from all this, seated upon Olympus—or better still Mars—passing upon international issues calmly, dispassionately and jointly upon the basis of principles of ultimate "justice" not yet discovered or formulated or accepted is of course to brand oneself better suited for residence upon some other planet. Mankind is, we are afraid, one of Mr. Hitler's thousand years from the stage when any real United Nations of the World is feasible. We may as well tell ourselves the truth.

Another Absurdity

Another notion which we should do well to slough off as quickly as may be is the strange idea that we can not progress or prosper while any other people anywhere in the world are not progressing or prospering. To state such a proposition bluntly is to expose its absurdity. We and a number of other nations have progressed and prospered (for the most part) for hundreds of years while cannibals feasted upon human flesh, while wild tribes subsisted upon grubs, while the natives of the Amazon Valley permitted Malaya and the Dutch East Indies to develop and exploit a rubber industry which they introduced to the world, while China paid tribute to Britain, France, Russia, and the others, while India was traded out of her boots, and while many other peoples in many other parts of the world remained in squalor and filth. There may well be a better way. It is possible that even we should progress and prosper more if different policies were adopted toward many peoples of the earth. But let us not launch ourselves upon a world-wide campaign to make silk purses out of sows' ears—and most of all let us not deceive ourselves that we shall henceforth degenerate progressively so long as we permit peoples on the other side of the earth to go without a quart of milk a day.

Other Peoples, Other Wants

Let us likewise realize that there are many, doubtless, who do not even want a quart of milk a day. Certainly there are many who do not now have, and probably can not be persuaded to develop ambition to become "industrialized." At any rate they give no indication whatever of being willing to pay the price in work and worry necessary to obtain what we in our conceit think of as essential to decent living. Neither must we forget that few if any people on this globe want us to tell them how they should live or how they should order their lives either industrially or domestically. Our ideas and ideals of "civilization" have a strange and forbidding look to hundreds of millions of people in Africa and Asia—yes, and even in Europe. The philosopher or the saint may find many reasons satisfying to him why we should endeavor to change all these peoples, but one thing is certain—we shall be neither happier nor wealthier by trying to change them.

Another idea, incongruous when associated with these dreams of the Utopians in Washington, appears to be gaining headway in many quarters, and even at times seems to be in the minds of officialdom. That is that another war may at some time come along despite all our determination that it shall never happen, and accordingly we should make ourselves secure by the acquirement of "bases" at strategic points throughout the world and make certain that we ally ourselves with the right nations; that while we are making certain that there shall be no more war, we shall make doubly certain that we win the next war; in fine, that we should enter world politics in the old fashioned way. By comparison it has much to recommend it.

The State Of Trade

Business reports generally continued favorable the past week, with small declines noted in the rate of steel production, freight carloadings and bank clearings, while there were gains in electric power production, crude oil production, demand deposits and money in circulation.

Electrical energy distributed by the electric light and power industry of the United States in the week ended Feb. 20, amounted to 3,948,749,000 kilowatt hours, compared with 3,423,589,000 kilowatt hours in the like week a year ago, an increase of 15.3%, it was reported by the Edison Electric Institute.

Output in the preceding week totaled 3,939,708,000 kilowatt hours, against 3,421,639,000 kilowatt hours in the similar week of 1942, a rise of 15.1%.

Carloadings of revenue freight for the week ended Feb. 20, totaled 752,449 cars, according to the Association of American Railroads. This was a decrease of 12,501 cars below the preceding week this year, 21,971 cars fewer than the corresponding week in 1942 and 73,926 cars above the same period two years ago.

This total was 123.90% of average loadings for the corresponding week of the ten preceding years.

Steel production for the current week is scheduled at 98.2% of ingot capacity on the basis of revised capacity of 1,731,662 net tons a week, according to the American Iron & Steel Institute. The 98.2% rate indicates output at 1,700,500 tons against last week's revised rate of 97.7 and output of 1,691,900 tons.

Revised capacity of 1,731,662 tons weekly for the first half of 1943 compares with rated capacity of 1,710,674 tons a week for the last half of 1942.

Industrial activity continues at peak levels, with the Federal Reserve Board's index of industrial production moving into all-time high ground. In January, the index rose 3 points to 200, the first time it ever reached that figure. Preliminary estimates indicate that a new record was achieved in February.

These advances, it is pointed out, reflect the growth of activity in the munitions industry, including production of chemicals for war purposes. Moreover, they indicate that a big boost in expenditures for war is just ahead. In the last few months there has been a flattening out of war spending, based on Treasury figures, which have yet to exceed November's record expenditures of $6,041,000,000.

With the planned outgo for war set at $90,000,000,000 for 1943, current monthly expenditures of around $6,000,000,000 must be stepped up sharply. An average of $7,800,000,000 monthly is necessary over the remaining ten months of this year to reach the goal figures.

Department store sales in the U. S. last week were 32% greater than the same period last year and followed a 45% rise the preceding week, according to the Federal Reserve Board. Buying by people stocking up against fear of future rationing of food, clothing and other textile items continued to mark last week's activities in retail trade circles, Dun & Bradstreet, Inc., reported in its weekly review.

With the Southwest and Pacific Coast regions reporting gains of from 32 to 50% over the corresponding period last year, the increase for the entire country was estimated between 22 and 23%. Other regional percentage increases were: New England, 13 to 18; East, 11 to 14; Midwest, 24 to 30; South, 27 to 33; Northwest, 12 to 16; according to Dun & Bradstreet, Inc.

Interest in the wholesale markets centered on the problem of obtaining spring deliveries as quickly as possible to meet the exceptional consumer demand. There also was a strong replacement demand from retailers, according to the Agency. Wholesalers' shipments, especially in apparel and dry goods, were considerably heavier than a year ago at this time, but running behind schedule in numerous lines.

Inability of many suppliers to meet the full replacement demand for spring, together with the fast pace of retail selling, prompted unusually early and heavy covering for summer goods and fall staples, Dun & Bradstreet state.

Department store sales in New York City in the week ended Feb. 27, were 18% above the comparative 1942 week, according to a preliminary estimate issued by the New York Federal Reserve Bank. In the previous week, ended Feb. 20, the bank also had reported sales of the same stores at 18% above a year ago.

Retail stores in New York State reported larger than normal seasonal reductions in employment and pay rolls from the middle of December to the middle of January, the State Department of Labor disclosed. The stores reduced forces 22.8% and pay rolls 17.5%.

Although sharp seasonal losses usually occur during this period, the reductions this January were somewhat larger than the average of the last eight years, it was said. Reports from 7,249 retailers throughout the state form the basis for these figures.

January Truck Freight Volume 16.6% Over 1942

The volume of freight transported by motor carriers in January showed a seasonal decline of 3.3% under December, but held 16.6% over January, 1942, according to reports compiled and released on March 1 by the American Trucking Associations.

Comparable reports were received by ATA from 195 motor carriers in 41 States. The reporting carriers transported an aggregate of 1,259,627 tons in January, as against 1,302,154 tons in December, and 1,080,332 tons in January, 1942.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 168.10.

Almost 82% of all tonnage transported in the month was reported by carriers of general freight. The volume in this category decreased 4.1% under December, but held 15.9% over January of last year.

Transporters of petroleum products, accounting for slightly more than 9% of the total tonnage reported, showed a slight increase of 0.8% over December, and an increase of 53.5% over January, 1942.

Haulers of iron and steel products reported approximately 3% of the total tonnage. The volume of these commodities increased 8.1% over December, but decreased 3.7% under January of last year.

Slightly more than 6% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class showed a decrease of 3.2% under December, and a decrease of 0.9% under January of last year.

Illinois Approves Cut In Auto Collision Rates

The Illinois Department of Insurance has approved a 20% reduction in commercial automobile bodily injury liability rates and minor automobile casualty manual rule changes as filed by the member companies of the National Bureau of Casualty & Surety Underwriters, it was reported on Feb. 23 by Director Paul F. Jones. The new rates became applicable on Feb. 10 in the State and are retroactive to Dec. 1, 1942. The announcement from the Department states:

"The new bodily injury rates apply to commercial cars, classes 4 and 5; hired cars—commercial classes 4 and 5, and private passenger; garages—automobile dealers, repair shops and storage garages and service stations (with no change in minimum premiums for these classifications) and non-ownership, classes 1 and 2.

"Director Jones explained that the reductions have been allowed on the basis of opinions expressed by experienced underwriters who believe them reasonable under existing conditions. He explained that no experience has yet been compiled, and that the reductions are predicated primarily on general reduced activity in the classifications designated."

An item regarding a reduction announced by the National Automobile Underwriters Association, covering 30 States, appeared in our issue of Jan. 7, page 70.

New N. Y. CDVO Head

The resignation of James G. Blaine as chairman of the Civilian Defense Volunteer Office of Greater New York and the appointment of Grover A. Whalen as his successor has been announced by Mayor LaGuardia.

Mr. Blaine, who is President of the Marine Midland Trust Co. of New York, explained in his letter of resignation that his increased duties at the bank made it impossible for him to continue to devote "substantially" his entire time to the CDVO post.

Mr. Whalen, former Police Commissioner and head of the New York World's Fair, will serve in the CDVO post without compensation, as had Mr. Blaine. Mr. Whalen is Chairman of the Board of Coty, Inc., and Coty International Corporation, perfume manufacturers.

Eccles And Crowley Favor Bill Suspending FDIC Assessments on War Bond Sales

Support of the bill of Senator Wagner whereby so-called War Loan Deposit Accounts would be relieved from Federal Deposit Insurance assessments and from reserve requirements for the duration of the war and six months thereafter, was voiced by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System at a hearing on the bill on Feb. 17, before the Senate Banking and Currency Committee. Mr. Eccles told the Committee that the bill has the approval of the Treasury, the Federal Deposit Insurance Corp., the Governors of the Reserve System, and the System's Open Market Committee. Leo T. Crowley, Chairman of the FDIC, also testified on the same day in favor of the bill, and following their testimony the Committee favorably reported the bill.

In his prepared statement, Mr. Eccles said that "the Reserve System has made a special effort and a concerted drive through all of the Reserve Banks to induce as many banks as possible to apply and qualify for War Loan Deposit Accounts." He added:

"The results so far have been gratifying, and a large number of banks, even though they may have felt that the war loan accounts should not be subject to deposit insurance assessments or to reserve requirements, have applied and qualified. There are still many thousands of banks which have not yet come in, and it is clear that the requirements of existing law, which this bill would suspend for the duration, are a real deterrent in many instances. Not only is a more widespread setting up of this convenient and necessary mechanism thus impeded, but banks that have war-loan accounts are discouraged from utilizing them as fully as would be the case if these statutory requirements were suspended. Neither requirement existed when war-loan accounts were originally authorized by Congress in the last war. We had no deposit insurance at that time and war-loan accounts were not subject to reserve requirements before 1935.

"I hope that this measure will be promptly enacted so that the mechanism, which I have tried to outline very simply, may be as widely set up and as generally utilized as possible to facilitate the large financing operations which are ahead of us as long as the heavy requirements of the war situation continue."

Reporting that Committee members diverted the discussion toward inflation, the Associated Press accounts from Washington quoted Mr. Eccles as follows:

"No government in a war period has been able to avoid inflation."

He added, however, that inflation "only can come by Congress appropriating money and failing to provide a method of collecting the money."

Purchasing power this year, he estimated, would be $40,000,000,000 in excess of goods and services available. If the public saved in the same proportion as in 1942, however, he said, the gap would be shaved to about $16,000,000,000.

This excess, he said, must be taken either in taxes or sale of Government securities to the public, and "to the extent that we don't get it, we will have inflation."

At the same time, the Associated Press indicated that Mr. Eccles told the Committee that the United States is doing a "very bad" job of war financing by comparison with other countries. The press advices likewise said:

"This country, he testified, is financing a 'much larger' percentage of its deficit by borrowing through banks instead of directly from the people than other nations. Taxation also is financing a smaller share of the borrowing than in other countries, he said."

Mr. Crowley, in his testimony, said that "we have been told that many bankers have made representations to the Treasury to the effect that they are loath to participate in the handling of war-loan deposits because of our assessment of 1/12 of 1% per annum."

Mr. Crowley also told the Committee that "exemption of war-loan deposits from the FDIC assessment and the FRB reserve requirements will practically eliminate the cost of handling such deposits."

From the Feb. 17 Washington advices to the "Journal of Commerce" we also quote:

"As a consequence," he said, "war-loan deposits will be very profitable accounts."

"Mr. Crowley said that many bankers have told the Treasury Department they do not like to handle war-loan deposits because of the FDIC assessment of 1/12 of 1% per year, and that the Treasury recommended the exemption as a war measure to facilitate financing.

"The FDIC Chairman added, however, that the corporation does not consider advisable any other reduction in the assessment or the exemption of any other class or type of deposit from assessment.

"We have no assurance that the present rate of assessment is adequate to meet future needs," he explained. "From 1865 to 1940, losses to depositors in closed banks would have averaged ⅕ of 1% per year of deposits in all commercial banks if, as has been the case in recent years, there had been no stockholders' double liability throughout the period. These loans are more than double the present rate of assessment. Had there been no major post-war adjustments and no major banking crises during that 76-year period, the rate of loss would have been just about equal to our present rate of assessment."

Mr. Crowley told the Committee that the quality of bank assets today is better than at any other time of record, and that, "with assets in excellent shape generally and reserves ample and flexible, the banks are able to support whatever financial program may be necessary to win the war."

He added that post-war financing will fall chiefly upon the banks, and that business may have to be financed without reduction in bank holdings of U. S. Government obligations.

While the impact of the war has been felt in a very uneven manner by the banks, Mr. Crowley said bank earnings are increasing, and "the increased taxes of the banks will be paid out of increased earnings rather than reduced profits."

On Feb. 18, Secretary of the Treasury Morgenthau denied any disagreement with the views of Mr. Eccles on war financing policy. Advices to the New York "Journal of Commerce" from the Washington bureau indicating this, also said, in part:

"Mr. Morgenthau told newsmen at his press conference that Mr. Eccles was party to Treasury war financing plans and said the Federal Reserve Board Chairman's remarks on the undesirability of bank borrowing were in complete conformity with his own views.

* * *

"On the subject of war financing, Mr. Morgenthau recalled that he had said earlier this week that bank borrowing was to be regarded as a last resort only, and that taxation and borrowing direct from the people were the preferable ways of meeting war costs.

"I don't see that Mr. Eccles has any different position," Mr. Morgenthau said. "I said the banks should be the last resort. That is our program, and, as far as I know, Mr. Eccles is wholly in sympathy with it."

One reporter mentioned that Mr. Eccles had pointed out that neither the Federal Reserve, the Treasury or anyone else could stop inflation but that the job was up to Congress.

"As far as I know, he and I see alike on this thing," Mr. Morgenthau replied.

1942 War Construction Doubled 1941 Volume

War construction activity in 1942, which reached a total value of $12,145,059,000, more than doubled the 1941 volume and amounted to more than 97% of the program for the year, the War Production Board announced on Feb. 18.

Direct military construction during 1942, the WPB said, was three times the volume of the previous year, and factory construction was 2½ times the 1941 total. Housing construction in the war production areas maintained the 1941 level, while construction of privately financed factories declined. The Board likewise stated that "the monthly volume of construction, which reached a peak of $1,406,015,000 in August, declined for the fourth successive month to $973,285,000 in December, a 31% drop from the year's high. The decline in monthly volume from November to December was 13%. As an indication of the trend for 1943, there was a further decline of 8% for January."

The WPB announcement also had the following to say:

"As a total, direct military construction in December was 16% under the November figure and the downward trend continued through January.

"War housing and public works construction dropped from $121,671,000 in November to $120,000,000 in December, a decline of 1%. Privately financed housing and public works construction showed moderate decreases, while government financed war housing showed a gain of 5%.

"Activity on government financed industrial expansion, including construction volume and machinery and equipment deliveries combined, which reached a total value of $641,005,000 in November, dropped to $605,458,000 in December, a loss of 6%. The volume of factory construction continued downward, being off 12% from November, while machinery and equipment deliveries showed a gain of 1%. Further increases in machinery and equipment deliveries, and decreases in plant construction, are forecast for the next few months.

"Plant construction work done for the Defense Plant Corporation in December was 3% less than in the previous month, while machinery and equipment deliveries in this category increased 8%. Construction work at Army ordnance plants continued to drop sharply with machinery and equipment deliveries still increasing.

"By type of facility, construction decreases occurred in all categories except aircraft. Machinery and equipment deliveries increased at aircraft plants, and at plants manufacturing machinery and machine tools, and other industrial facilities. Notable increases by individual type occurred at synthetic rubber plants, where the construction volume in December was three times as great as in November, and at tank plants and machine tool plants, where machinery and equipment deliveries doubled."

Further Rise In Industrial Activity In January, Federal Reserve Board Reports

In its summary of general business and financial conditions in the United States, the Board of Governors of the Federal Reserve System reported on Feb. 25 that "industrial activity rose further in January and the first half of February. Retail sales continued in large volume in January and were at an exceptionally high level early in February." The Board in its advices further reports:

Production

Volume of industrial production showed another marked gain in January, reaching a level of 200% of the 1935-1939 average, according to the Board's adjusted index, compared with 197% in December. The increase reflected largely a growth in activity in the munitions industries, including production of chemicals for war purposes.

Activity at shipyards and in aircraft and machinery plants continued to expand sharply. Deliveries of completed merchant ships in January were somewhat less than in December but were still at the high level of over 1,000,000 deadweight tons. Total iron and steel production rose to the level of last November, but was still slightly below the October peak, and electric steel output, important for munitions manufacturing, reached a record level 5½ times as large as in the 1935-1939 period. Operations at steel mills were near capacity during the first three weeks of February.

Non-durable manufacturers, as a group, continued to show little change. Production of meats under Federal inspection, except beef, declined sharply from the high level in December. Output of most other foods was maintained; production for military and Lend-Lease needs, particularly of highly processed foods, rose further and there was a corresponding decline in output of these products for civilians. Newsprint consumption declined in January as a result partly of a Federal order restricting newsprint use.

Mineral production declined slightly in January, reflecting a small reduction in output of crude petroleum. Output at coal and metal mines showed little change. Anthracite production in the first half of January was reduced by an industrial dispute, but for the month of January as a whole, output was only 3% lower than in December.

Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, was much smaller in January than in other recent months, but was still slightly higher than a year ago. Reductions occurred in all types of public awards, which now account for most of the total. A decline has been indicated for some time as a result of actions of the War Production Board designed to limit construction activity to projects that are essential. On Oct. 23, 1942, it had established a committee to review proposals for new construction; through February 12, work on projects estimated to cost $1,300,000,000 was stopped either by the War Production Board or by the Government agencies initiating them.

Distribution

Distribution of commodities to consumers was in large volume in January and the first half of February. Retail sales of merchandise declined less than seasonally in January and rose sharply in the first half of February when a buying wave developed, particularly in clothing. At department stores, sales increased considerably in the first week of February and then reached an exceptionally high level during the second week, stimulated partly by the announcement of shoe rationing.

Freight carloadings declined somewhat less than seasonally in January and the adjusted index increased 1%. Miscellaneous loadings accounted for most of the rise. Substantial increases in loadings of most types of commodities occurred in the first two weeks of February.

Commodity Prices

The average level of wholesale commodity prices continued to advance in January and the early part of February. Prices of most farm products showed further increases. Maximum wholesale and retail prices were raised for a number of miscellaneous commodities including coal, while reductions were effected in maximum prices for some items like rayon tops and waste.

Retail prices of foods continued to rise from mid-December to mid-January with increases largely in meats, dairy products, and processed fruits and vegetables.

Bank Credit

Excess reserves of member banks declined from an average level of about $2,200,000,000 in the last half of January to $1,600,000,000 early in February, but increased somewhat around the middle of the month. Increases in currency in circulation continued to be the major factor responsible for the decline, although substantial fluctuations occurred in Treasury balances and Reserve Bank credit. Most of the decline in excess funds was at banks in New York City and Chicago, where reserves have recently been close to legal minimum requirements. Over the five-week period ending February 17, the currency drain amounted to $520,000,000, bringing total currency in circulation to $15,800,000,000 on February 17.

Holdings of Government obligations at reporting banks in leading cities outside New York and Chicago increased by $640,000,000 over the five-week period ending February 17. At banks in New York and Chicago, holdings of Government securities declined by $360,000,000, principally through sales to the Reserve Banks for the purpose of restoring reserves. Government deposits at banks were reduced in the period, while other deposits increased.

United States Government Security Prices

Following a rise in the first half of January, prices of United States Government securities have been steady.

Lumber Movement—Week Ended Feb. 20, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 439 mills reporting to the National Lumber Trade Barometer exceeded production by 17.1% for the week ended Feb. 20, 1943. In the same week new orders of these mills were 31.8% greater than production. Unfilled order files in the reporting mills amounted to 89% of stocks. For reporting softwood mills, unfilled orders are equivalent to 39 days' production at the current rate, and gross stocks are equivalent to 40 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 18.5%; orders by 23.1%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 31.5% greater; shipments were 33.0% greater, and orders were 50.1% greater.

US And United Nations To Discuss Methods Of Preparing For Post-War Problems

Under-Secretary of State Sumner Welles declared on Feb. 26 that the United States "intends at once to undertake discussions with other members of the United Nations as to the most practical and effective method" of preparing for post-war problems.

In an address before the special convocation of the University of Toronto at Toronto, Mr. Welles warned that if the United Nations do not initiate studies "there is danger that we shall be brought together to make the peace with as many plans as there are governments."

Mr. Welles, who was awarded an honorary degree of Doctor of Laws by the university, reiterated his belief that the United Nations must stand together in the post-war world "assuming a joint responsibility for making completely sure that the peace of the world is not again violated."

He expressed the belief "that if the United Nations were to set up machinery for the purpose of assembling and studying all international aspects of problems under the general heading of freedom from want, and for assembling all the pertinent facts and considerations relating thereto, and for jointly analyzing all facts and considerations relating to measures or policies proposed for furthering the end in view, the controversies and conflicts of policy which have so long embittered relations in the international economic field, and therefore generally, might largely disappear."

Declaring that "a policy of international cooperation" is, in fact, "a policy of advantageous hard-headed realism," Mr. Welles said that the real self-interest of one nation coincides with the permanent, with the ultimate, self-interests of other nations."

He recalled the failure after the last World War of creating an effective international organization with judicial and police powers and warned that if the nations do not collaborate at the conclusion of this war "there can be no result other than disaster."

Mr. Welles cited the international relationship existing between the Western Hemisphere nations and expressed confidence that "the same form of relationship can be achieved in all regions of the world."

The text of the Under-Secretary's address follows, according to the Associated Press:

I am deeply conscious of the privilege you have afforded me of addressing this convocation of the University of Toronto.

During the century of its magnificently vigorous life this great institution of learning has become, in the field of education, one of the recognized glories of our New World. In its notable contributions to the welfare of humanity and to the inspiration of the human spirit, all of us who are citizens of the Western Hemisphere can justly feel satisfaction and pride.

It is for that reason that I am so greatly honored by the degree which the University of Toronto is today conferring upon me.

I know, of course, of the long line of graduates from these halls who have distinguished themselves in so many varied branches of public endeavor, and I am therefore also peculiarly gratified that from now on I may lay claim—at least an honorary claim—to a connection with the university from which graduated the present Prime Minister of Canada.

You will, I feel, permit me to say that while I know how highly and how justly his outstanding abilities and achievements are recognized in other parts of the world, there is no place outside of his own country where he has won more affectionate regard, or a higher measure of sincere admiration, than in the United States.

The peoples of our two countries are singularly blessed, in these the most critical moments of their history, that the guidance of the destinies of our two nations should have been entrusted at this time to two men, Mackenzie King and Franklin Roosevelt, who have ever believed in the need for complete confidence and understanding between the peoples of Canada and of the United States, and who have done more than any other two men similarly placed in the course of our national lives to strengthen in real and practical fashion that friendship which is so vital to the well-being and to the security of us both.

Today our peoples are fighting side by side to defend their liberties and to bring to utter defeat the band of dictators who have dared to think they could extinquish the light of democracy in the modern world. And we recognize fully how long and bitter the road may still be before the final victory is won.

Canada and the United States have had very similar problems in this war. We have met them in similar ways, and in collaboration, in the spirit of the Ogdensburg and the Hyde Park agreements.

Our naval and military forces are cooperating closely in both oceans and on our land frontiers. In production we have both faced shortages of raw materials, labor and manufacturing facilities, and our Governments have imposed effective, and often parallel, controls to overcome these shortages.

We have both put our civilian economy on rations, increased taxation and regulated prices. We have sought to supply each other with the things of which one of us was short, and to coordinate our production facilities and resources in the most effective ways.

Both of us are arsenals of the United Nations, and in that, too, we have followed a like policy. That policy is first that food and munitions are dispatched to the places where they can be most useful in the conduct of the common war and, second, that deliveries to countries that are not in position to make payment now are on terms that do not create impossible financial obligations later. Both of us are seeking to avoid the creation of uncollectable and trouble-breeding war debts.

The present high degree of economic cooperation between our two countries for the purpose of making as great a contribution as possible to the pooled war effort of the United Nations is extremely gratifying to us and must be so to our Allies. Fortunately, the groundwork for this close collaboration was laid years before the outbreak of war. I refer primarily to the two reciprocal trade agreements between us, the first of which entered into force on Jan. 1, 1936, and the second of which, replacing the first, became effective on Jan. 1, 1939, the first day of the year in which Hitler forced upon Europe the war that was destined to spread over the globe.

The trade agreements we entered into in the days of precarious peace went a long way to heal the economic wounds, and attendant ill feeling, each of us had dealt the other in earlier years after the First World War.

On my side of the line there had been the so-called Emergency Tariff Act of 1921, followed immediately by a general upward revision of the tariff in the Act of 1922; then, on the brink of the worst economic depression the world has suffered, came the monumental barrier created by the Hawley-Smoot Tariff Act of 1930.

In our revenue act of 1932 two of the four products subjected to new excise taxes by means of a rider to that legislation—lumber and copper — were and are of great interest to Canada. These measures in their collective effect struck hard at the trade of other countries. Canada felt the effects as much as any other country—perhaps more than any other.

Action on your side of the line was not slow in coming. You may recall that Canadian duties on a considerable number of products normally imported from the United States were raised automatically to the levels provided for on the same products in our Tariff Act of 1930.

Every one remembers the Ottawa agreements of 1932, when the members of the British Commonwealth of Nations turned their backs upon the United States and all countries and made a desperate effort to make up for lost and depressed markets elsewhere by tariff preferences intended to encourage an expansion of trade with the British Empire. Every country felt the effects of the Ottawa agreements; none, I believe, more than did the United States.

I mention these historical facts because they serve to remind us of past mistakes, still by no means completely remedied, that must be avoided after this most costly of all wars, in men and wealth, has been brought to an end by our common victory. They also serve to emphasize the fundamental necessity of carrying forward constructively the task of economic cooperation between us begun with the first trade agreement and continued ever since.

The governments of your country and mine see eye-to-eye on this. They have formally declared their intention to seek common goals in peace as well as in war.

On Nov. 30 last, in an exchange of notes, our two governments took another important step along the road to a better world after victory. We agreed not only to try to promote mutually advantageous economic relations between ourselves, but to seek the cooperation of other nations of like mind in promoting the betterment of world-wide economic relations.

These aims involve appropriate national and international measures to expand production, employment and the exchange and consumption of goods; elimination of all forms of discriminatory treatment in international commerce; reduction of tariffs and other trade barriers, and generally, attainment of the economic objectives of the Atlantic Charter through the collaboration of the United Nations which are willing to join with us in the realization of these objectives.

Many of the United Nations, through Article VII of their mutual-aid agreements with the United States, have already joined in this same declaration of post-war economic objectives.

Our two countries, in the same exchange of notes, have expressed our intention to do something concrete about our declaration of aims by discussing soon with other United Nations how we two and other like-minded nations can agree upon a program to carry out these aims. They seek to furnish to the world practical evidence of the ways in which two neighboring countries that have a long experience of friendly relations and a high degree of economic interdependence, and that share the conviction that such reciprocally beneficial relations must form part of a general system, may promote by agreed action their mutual interests to the benefit of themselves and other countries.

I am not so bold as to venture a prediction here as to the details of such a program. However, I am confident that we can march together, with other forward-looking nations, along the road to a fruitful and secure post-war world, provided the people on both sides of the line support their governments, with understanding and determination, in their efforts to do everything within their power to achieve these great objectives.

When the war ends similar problems will face us both. We shall both confront the task of demobilization, and we shall both endeavor to make sure that the young men — and the young women—who are discharged from military service have a real chance to find useful and productive employment. Both of us prefer the system of free enterprise, and we shall both desire to lighten government controls as rapidly as the phenomenon of scarcity vanishes and conditions permit free enterprise to play its proper role.

Both of us will find our industries still working largely on war orders, and the problems of conversion will be urgent. Both of us will want to make our contribution to the relief and reconstruction of the devasted countries, and we shall want to make that contribution in the way which will help the peoples of those regions get back to health and strength and to self-reliance as rapidly as possible.

We shall both be interested in possible international arrangements about gold, and currencies, and international investment. And we shall both desire to increase the economic interchange between us and with others on the most fruitful basis possible.

On all these questions we can talk usefully together as we have agreed to do. Our discussions will become even more useful as we undertake to conduct them in an even larger framework, the framework of the whole United Nations.

There is no disagreement anywhere as to what the United Nations want. They want full employment for their people at good wages and under good working conditions and the other physical and institutional arrangements that add up to freedom from want. But differences of opinion doubtless exist within and between the several countries as to the means to be adopted—divergencies may arise as to the desirability or efficacy of particular policies or measures.

An examination of the causes of any disagreement will usually reveal that it exists mainly because people are considering the question from different viewpoints, that the parties are basing their judgments on different or incomplete facts and different considerations. If both parties had the same facts and considerations in mind, and if each knew fully the reasons behind the position taken by the other, there would much more quickly be a meeting of minds.

This is true not only of individuals but also of nations, and it suggests the need for joint as well as separate study of the facts and considerations relating to proposals aimed at attaining the desired ends.

I believe that if the United Nations were to set up machinery for the purpose of assembling and studying all international aspects of problems under the general heading of freedom from want, and for assembling all the pertinent facts and considerations relating thereto, and for jointly analyzing all facts and considerations relating to measures or policies proposed for furthering the end in view, the controversies and conflicts of policy which have so long embittered relations in the international economic field, and therefore generally, might largely disappear.

If the analysis were thorough enough, and the problems of each country were fully understood by the others, solutions could be found that would serve the interests of all concerned. Nothing is more clear to my mind than this: if all aspects of an economic problem were explored, it would become apparent that the basic interests of all countries are largely common interests, that each country's economic problems are related to, and inseparable from, those of the others.

A United Nations study such as I have in mind would explore in careful, thorough and systematic way world problems in the economic field, toward the solution of which much progress must be made if we are to have anything approaching the goal of freedom from want in our own countries or elsewhere.

People and governments here and everywhere are studying these problems; are searching for solutions. The plans of one government or group of governments may seem sound enough in the light of their own interest, but may contain flaws which are visible only from the viewpoint of other governments or countries.

If the study to which I have referred did no more than detect and focus attention on such flaws, if it did no more than prevent the crystallization in one country or group of countries of ideas which are objectionable from the viewpoint of others, it would serve a highly useful purpose.

It is, however, my hope and belief that a United Nations undertaking such as I have suggested would be able to formulate plans and recommendations of a constructive sort — to find, so to speak, common denominators which, in the net, would be advantageous to all.

Failing to begin such organized study and discussion now, there is danger that divergent views and policies may become crystallized, to the detriment of the common war effort, and to the detriment of efforts to bring about a peace that will be more than a brief and uneasy interlude before another even more horrible and more destructive war devastates and depopulates the world.

My government believes that the initiation of such studies is already overdue. If we do not make a start now, there is danger that we shall be brought together to make the peace with as many plans as there are governments.

The day of complete victory cannot come too soon; we all give thanks to God for every advance we make toward that goal, at every sign of weakness in our enemies. Between now and that day we must endeavor to prepare ourselves to meet the responsibilities, and to make the most of the opportunities, that peace will bring.

I am glad to say that my government intends at once to undertake discussions with other members of the United Nations as to the most practical and effective methods through which these vitally necessary conferences and consultations between us all can be held.

It is my conviction that from these meetings a large measure of agreement will already be found to exist; that solutions will be available for such divergencies as may be apparent; and that in the last analysis it will be found that what may even appear to be fundamental obstacles can be resolved in the interest of the welfare of us all.

What the people of the United States are striving for, I am persuaded, is exactly what the people of Canada are striving for. They seek the attainment of the noble objectives set forth in the Atlantic Charter. They seek to achieve these ends, not because of any altruistic motives, not through the dictates of any theoretical idealism, but rather because they believe that the attainment of these objectives will be in their own self-interest—and I belive that in my own country we have learned through the bitter experience of the past quarter of a century that the most practical from of self-interest is enlightened self-interest.

We have seen beyond the shadow of any doubt that a policy of international cooperation which far too many told us 24 years ago was a policy of suicidal sentimentality was, in fact, a policy of advantageous hard-headed realism.

Most of us have learned a great truth that is beginning to dawn upon the consciousness of many peoples in all parts of the globe, and that is that the real self-interest of one nation coincides with the permanent, with the ultimate, self-interests of other nations.

For there is no people which will not benefit more by peace than by war. The preservation of peace and the practice of human tolerance must come to be recognized by every nation and by every government as the indispensable requisities of all peoples. Never again can humanity permit dictator demagogues once more to proclaim the alleged virile glories of war or the cruel falsehood that there exists a master race.

No rational man or woman today can question the fact that had the nations of the world been able to create some effective form of international organization in the years that followed the close of the last great World War, and had been able to bulwark that organization with judicial and police powers, the devastating tragedy which humanity today is undergoing would have been avoided. From the standpoint of material self-interest alone, leaving aside every moral consideration, the lot of every one of our fellow-citizens would have been far better.

No one can appraise the cost of the present war in terms of life and human suffering. But we can appraise its cost in material terms, and we know that as a result of this material cost, the standard of living of every individual in every region of the world will be impaired.

If at the conclusion of this war the governments of the United Nations are not afforded by their peoples the opportunity of collaborating together in effective policies of recovery, or of assuming a joint responsibility for making completely sure that the peace of the world is not again violated, there can be no result other than utter disaster. The structure of our civilization is not so tough as to make it conceivable that it would resist a repetition of the present holocaust.

We have evolved here in the New World a system of international relationships which constitutes perhaps the highest achievement in the sphere of practical international living which civilized man has so far created. From the historical standpoint it is very recent indeed, but it has grown, gradually perhaps but nevertheless steadily, throughout the period of the individual life of the democracies of the Americas.

It is a system in which the smallest State is just as free to determine its own destiny as the largest State.

It is a system where the smallest State feels just as secure as the largest State, because of its knowledge that its independence and integrity are a matter of vital concern to its more powerful neighbors, and because of its assurance that should its liberties be jeopardized by aggression coming from without the Western Hemisphere its more powerful neighbors will take the action necessary to repel that danger.

Every region of the world possesses its own peculiar problems, its own special advantages and its own inherent difficulties. We hear much of the age-old rivalries which have persisted in Europe and in other quarters of the globe. But I think that we of the Americas can say that if 22 independent democracies such as those which occupy North, Central and South America—of different races, of different languages and of different origins—can achieve the measure of progress which we now have achieved toward a peaceful and humane relationship and toward profitable economic cooperation, that same form of relationship can be achieved in all regions of the world.

The creation of that same kind of decent international relationship by all peoples is the objective today of the United Nations. I am confident that after the unconditional surrender of our common enemies that objective will be attained.

Through our continued cooperation the peace of the world can be maintained, for with the defeat and total disarmament of the Axis powers there can be no further conflict — if the United Nations stand together.

We cannot permit this time that the supreme sacrifice which our sons and our brothers are making in the defense of our liberties shall be made in vain. Only through our combined efforts can we make certain that the victory which we will win in battle can become in fact the victory of peace.

Whitwell Heads Phila. C. of C.-Board of Trade

George E. Whitwell, Vice-President of the Philadelphia Electric Co., has been elected President of the merged Chamber of Commerce and Board of Trade of Philadelphia.

Mr. Whitwell had filled the post since the merger last fall, referred to in these columns Oct. 1, page 1192.

Four new Vice-Presidents elected are: Frank M. Hardt, John B. Knox, Charles K. West and George M. Richardson.

J. William Hardt was re-elected Treasurer, and C. William Johnson was chosen Assistant Treasurer. Other officers elected were George W. Elliott, General Secretary; Henry W. Wills, Secretary, and A. R. Okum, Assistant Secretary, and Robert T. McCracken, General Counsel.

Nine new directors, who had not served previously, were seated by the board. They were E. K. Daly, Walter D. Fuller, Charles A. Gill, A. L. Hallstrom, Marshall V. Moss, Hudson W. Reed, Dr. Mervyn Ross Taylor; Clarence Tolan, Jr., and Paul Zens.

Resigns WPB Post

Lou E. Holland has resigned as a Director of the Smaller War Plants Corporation and Deputy Chairman of the War Production Board in charge of the Smaller War Plants Division.

In his letter to WPB Chairman Donald M. Nelson, Mr. Holland explained that "the recent action involving the management of the Smaller War Plants Corporation is detrimental to the cause of small business and the war effort." In January Mr. Holland was succeeded as Chairman of the SWPC by Col. Robert M. Johnson. At the same time Col. Johnson was made a Vice Chairman of the WPB outranking Mr. Holland.

Mr. Nelson, in accepting the resignation said he did not agree with Mr. Holland's viewpoint but that the sole reason for the organizational change "was to make our work for and with small business more effective."

FDR Urges Adherence To Faith of Washington; Warns Against Disunity And Over-Optimism

President Roosevelt warned the nation on Feb. 22 that it still faces "reverses and misfortunes" in the war and cautioned against those Americans who "proclaim that victory is just around the corner."

In addressing Washington Birthday dinners by radio, the President also criticized the "many Americans who sneer at the determination to attain freedom from want and freedom from fear" and those "whose words and writings are trumpeted by our enemies to persuade the disintegrating people of Germany and Italy and their captives that America is disunited—that America will be guilty of faithlessness in this war and will thus enable the Axis powers to control the earth."

The President's speech was directed to the fund-raising dinners under the auspices of the Democratic National Committee. He also cited the faith of George Washington in the midst of great adversities as bringing about the successful outcome of the Revolutionary War and urged the recalling of his traits in conducting our lives today.

The President's address follows:

Today this nation, which George Washington helped so greatly to create, is fighting all over this earth in order to maintain for ourselves and for our children the freedom which George Washington helped so greatly to achieve. As we celebrate Washington's birthday, let us remember how he conducted himself in the midst of great adversities. We are inclined, because of the total sum of his accomplishments, to forget his days of trial.

Throughout the Revolution, Washington commanded an army whose very existence as an army was never a certainty from one week to another. Some of his soldiers and even whole regiments could not or would not move outside the borders of their own states. Sometimes, at critical moments, they would decide to return to their individual homes to get the plowing done or the crops harvested. Large numbers of the people of the colonies were either against independence or at least unwilling to make great personal sacrifice toward its attainment.

And there were many in every colony who were willing to cooperate with Washington only if the co-operation was based on their own terms.

Some Americans during the War of the Revolution sneered at the very principles of the Declaration of Independence. It was impractical, they said—it was "idealistic"—to claim that "all men are created equal, that they are endowed by their Creator with certain inalienable rights."

The skeptics, the cynics of Washington's day did not believe that ordinary men and women have the capacity for freedom and self-government. They said that liberty and equality were idle dreams that could not come true—just as today there are many Americans who sneer at the determination to attain freedom from want and freedom from fear on the ground that these are ideals which can never be realized. They say that it is ordained that we must always have poverty and that we must always have war.

They are like the people who carp at the Ten Commandments because some people are in the habit of breaking one or more of them.

We Americans of today know that there would have been no successful outcome to the Revolution, which gave us liberty, had it not been for George Washington's faith and the fact that that faith overcame the bickerings and confusion and the doubts which the skeptics and cynics provoked.

When kind history books tell us of Benedict Arnold, they omit dozens of other Americans who, beyond peradventure of a doubt were also guilty of treason.

We know that it was Washington's simple, steadfast faith that kept him to the essential principles of first things first. His sturdy sense of proportion brought to him and his followers the ability to discount the smaller difficulties and concentrate on the larger objectives. And the objectives of the American Revolution were so large—so unlimited—that today they are among the primary objectives of the entire civilized world.

It was Washington's faith and, with it, his hope and his charity, which was responsible for the stamina of Valley Forge—and the prayer at Valley Forge.

The Americans of Washington's day were at war. We Americans of today are at war.

The Americans of Washington's day faced defeat on many occasions. We faced, and still face, reverses and misfortunes.

In 1777, the victory over General Burgoyne's army at Saratoga led thousands of Americans to throw their hats in the air, proclaiming that the war was practically won and they could go back to their peace-time occupations and "normalcies."

Today, the great successes on the Russian front have led thousands of Americans to throw their hats in the air and proclaim that victory is just around the corner.

Others among us still believe in the age of miracles. They forget that there is no Joshua in our midst. We cannot count on great walls crumbling and falling when the trumpets blow and the peoples shout.

It is not enough that we have faith and that we have hope. Washington himself was the exemplification of the other great need.

Would that all of us could live out lives and direct our thoughts and control our tongues as did the father of our country in seeking day by day to follow those great verses:

"Charity suffereth long, and is kind; charity envieth not; charity vaunteth not itself, is not puffed up;

"Doth not behave itself unseemly, seeketh not her own, is not easily provoked, thinketh no evil:

"Rejoiceth not in iniquity but rejoiceth in the truth."

Most of us Americans seek to live up to those precepts. But there are some among us who have forgotten them. There are Americans whose words and writings are trumpeted by our enemies to persuade the disintegrating people of Germany and Italy and their captives that America is disunited—that America will be guilty of faithlessness in this war and will thus enable the Axis powers to control the earth.

It is perhaps fitting that on this day I should read a few more words spoken many years ago—words which helped to shape the character and the career of George Washington.

"Blessed are the poor in spirit: for their's is the kingdom of heaven.

"Blessed are they that mourn: for they shall be comforted.

"Blessed are the meek: for they shall inherit the earth.

"Blessed are they which do hunger and thirst after righteousness: for they shall be filled.

"Blessed are the merciful: for they shall obtain mercy.

"Blessed are the pure in heart: for they shall see God.

"Blessed are the peacemakers: for they shall be called the children of God.

"Blessed are they which are persecuted for righteousness' sake: for their's is the kingdom of heaven.

"Blessed are ye, when men shall revile you, and persecute you, and shall say all manner of evil against you falsely, for my sake.

"Rejoice, and be exceeding glad: for great is your reward in heaven: for so persecuted they the prophets which were before you."

Those are the truths which are the eternal heritage of our civilization. I repeat them to give heart and comfort to all men and women everywhere who fight for freedom.

Those truths inspired Washington and the men and women of the thirteen colonies.

Today, through the darkness that has decended upon our nation and our world, those truths are a guiding light to all.

We shall follow that light, as our forefathers did, to the fulfillment of our hopes for victory, for freedom and for peace.

Ratio Of Bank Profits To Capital Funds Down In St. Louis Res. Dist.

Net profits of all member banks of the Federal Reserve Bank of St. Louis averaged 6.5% of their invested capital funds in 1942, according to the results of a study of 1942 operating ratios of 433 member banks in the Eighth District, issued on March 2 by the St. Louis Reserve Bank. This figure compares with 8% realized in 1941 and reflects higher bank operating costs and taxes. Member banks declared cash dividends equivalent to 2.9% of capital funds.

The Reserve Bank's announcement on its study further said:

"Due to declining loan volume, operating earnings from interest and discount on loans accounted for 54.5% of total operating earnings as opposed to 60.3% in 1941. Although average yields on investments were generally lower in 1942, the larger volume of Government security holdings brought operating earnings from interest and dividends on securities to 28.8% of all operating earnings, as compared with 24.1% a year earlier. Service charges contributed 5.7% of operating earnings in 1942, up slightly from last year.

"Current expenses in 1942 absorbed 73.6% of operating earnings, while in 1941 only 71.1% was so absorbed. Taxes, negligible in 1941, accounted for 3.3% of earnings in 1942."

P. F. Jones Named To National Insurance Body

Paul F. Jones, Illinois Director of Insurance, has been appointed to the Executive Committee of the National Association of Insurance Commissioners, succeeding Louis H. Pink, former New York Insurance Superintendent. Mr. Pink retired as New York Commissioner last month creating the vacancy on the committee. Mr. Jones, whose home is at Danville, Ill., was named Director of Insurance by Governor Dwight H. Green two years ago. Since his appointment, he has taken active part in the activities of the National Commissioners' body, having been a speaker at its annual meeting held at Detroit and serving on several of its important committees.

Before his appointment as Director, Mr. Jones, who is a well-known attorney, was appointed to be U. S. Attorney for the Eastern District of Illinois in 1930. In talks Mr. Jones has made before groups throughout the State, he has advocated support for free enterprise of American business, save when governmental supervision is in the interest of public welfare.

Mr. Pink's resignation as New York State Insurance Superintendent to become head of the Associated Hospital Service of New York was noted in these columns Dec. 24, page 2256.

Reviews Overtime Pay Requirements Under Wage-Hour And Public Contracts Laws

(Continued from first page)

total of not more than 14 workweeks in any one year.

Exemption from the overtime provisions further applies to employees working under an agreement made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board. Such an agreement must provide for an absolute maximum of 1,000 hours' work in any period of 26 consecutive weeks or 2,080 hours' work in any period of 52 consecutive weeks. In the latter case there must be a guarantee of a fixed annual wage or annual employment. In either case work over 12 hours a day or 56 hours a week must be paid for at the rate of time-and-one-half.

"In addition to the overtime pay exemptions under the Wage and Hour Law the Administrator also pointed out that there are exemptions from the overtime pay as well as minimum wage requirements of the Walsh-Healey Public Contracts Act. This law sets forth the conditions under which supplies for the Government may be contracted for and produced, where such contracts are in excess of $10,000. In addition to providing for rates of pay and overtime, it sets up health and safety standards and prohibits the production of supplies for the Government with the use of child labor or convict labor.

"Like the Fair Labor Standards Act, the Public Contracts Act provides for the payment of minimum wages to covered employees. Differing slightly from the Federal Wage and Hour Law, it provides for the payment of time-and-one-half after 40 hours a week, or 8 hours a day, whichever amount is larger."

Mr. Walling suggested that the surest standard of determining which employees were covered and which were not under the Public Contracts Act is the manner in which the work of fulfilling Government contracts is actually done. In general, those workers who are actually employed in the production of the materials or supplies are the covered employees. Exempt from the Act entirely, even though they are employed by the plants producing the materials, are office and clerical workers, supervisory employees and maintenance workers. The last includes such employees as electricians, elevator operators, watchmen, janitors, cleaners, other custodial employees and engine-room employees.

The Administrator pointed out that any employee who is exempt as an executive, administrative, or professional worker under the Fair Labor Standards Act is also exempt under the Public Contracts Act. He pointed out, however, that many workers who might be exempt from the provisions of the Public Contracts Act would still be entitled to the benefits of the Fair Labor Standards Act.

Proposes An International Bank With Capital Of Gold And Critical Materials

A plan for an international bank with capital composed of gold and critical materials was laid before the House Foreign Affairs Committee on Feb. 17 by Representative Dewey (Rep., Ill.) as the "fundamental instrument" for rehabilitation in the post-war world. This is learned from Associated Press accounts from Washington which stated that Mr. Dewey in describing his proposal, suggested that the United States could contribute its share of the capital from its stock of gold while Allied nations would give theirs in critical materials, such as tin and nickel. The Associated Press also had the following to say regarding Representative Dewey's proposal:

"Benefits of the plan, Mr. Dewey suggested, would be a control both of a vast quantity of critical materials which would help prevent building armaments for a future war while also serving in rehabilitation capacities, and a quantity of gold which could be used as foreign exchange.

"Mr. Dewey, an Assistant Secretary of the Treasury in the Coolidge Administration, described the proposed bank as a 'sort of international cartel.' He advised that it have two boards of directors: an executive board made up of 'men of money and international financial experience' to run it on a business basis, and a policy board composed of men who could give attention to the social aspects of international problems.

"The United States, he suggested, should own 51% of the shares of the bank and an American should be its director. He further proposed that all critical stockpiles be lodged in the United States as rapidly as possible."

To Confer On World Food

President Roosevelt revealed on Feb. 23 that consideration was being given to calling a meeting of representatives of the United Nations to discuss post-war world food problems. Mr. Roosevelt emphasized that it would not be related to relief which is being studied as a separate matter.

The conference, the President hoped, would be held in the spring and would be in the nature of a survey dealing with the more permanent food supply of the world.

As to whether plans call for a continuing organization, Mr. Roosevelt said that depended on what was decided at the first conference. Nothing definite has been agreed on, he added.

New Business Fields For Trust Institutions Envisioned By Neal

A large field of potential business for trust institutions willing to undertake a program of new business activities and public relations was envisioned on Feb. 16 by William H. Neal, Vice-President of the Wachovia Bank and Trust Co., Winston-Salem, N. C., in an address before the Wartime Conference on Trust Problems held in New York City by the American Bankers Association.

Mr. Neal said that in spite of the fact that creation of large estates, which formerly were the best sources of new business for trust institutions, is diminishing, there are four types of new business these institutions can obtain if they are alert and aggressive.

"It is all too true that the chances of creating large estates in the future have been greatly reduced, but there are many mitigating circumstances which serve to lessen the effect this may have upon trust institutions," Mr. Neal asserted. He added:

"In the first place, there are probably now in existence as many large estates as have existed at any time during the past decade. From now on, these estates are not likely to increase in size, and there will be little chance to develop other large fortunes. Nevertheless, for some years to come our trust departments will have about as much of this kind of business as they have ever had. The decline will be gradual, not precipitate, thus allowing trust men ample time in which to adapt and adjust.

"Furthermore, settling large estates has never been the sustaining business of the great majority of our trust institutions. It was good business if they could get it, but they got too little of it. Only in the metropolitan centers has it been a major factor. This is clearly indicated by the nation-wide survey made last year by the Trust Division's Committee on Trust Information. It was revealed that 76% of all trusts administered by trust institutions had an annual income of less than $3,000, and the average income of this group was $748. It also showed that 59% of all trusts had an income of less that $1,200 a year, with an average of $369. Small and medium sized units of business have been, and will continue to be, the life blood of the trust business.

"Despite taxes and limitations on incomes, more medium sized estates, in the range of $25,000 to $250,000, are being built up today than ever before. A small number of persons emerged from World War I with great fortunes. A large number will emerge from World War II with moderate sized estates. If you doubt that, ask the credit man in your bank who reviews individual and corporate financial statements.

"With less chance of large profits or incomes, more careful management of incomes with greater emphasis on conserving for the future will prevail. All of the billions from individual incomes now going into War Bonds, will not be spent for automobiles and other consumer goods in the post-war period.

"From these facts we can draw only one conclusion. There is, and will continue to be, a great field of potential trust business waiting to be served. There is a real future for the corporate fiduciary, and I am convinced that it is a bright future for those who have the vision to see it and the aggressiveness to prepare for it."

Ill.-Wis. Home Loan Units Lead Bond Sales

The sale of $41,787,747 of war bonds by the close of 1942 was reported for the savings, building and loan associations in Illinois and Wisconsin, according to the Federal Home Loan Bank of Chicago, whose district comprises the two States. A. R. Gardner, President of the bank, said that six of the associations had sold more than $1,000,000 of bonds and that one of them was hovering around $3,000,000 in total sales.

Meanwhile, the associations in this district achieved their ninth successive month of supremacy in the just published war bond honor roll of member institutions of the Federal Home Loan Bank system all over the nation. As of Nov. 30, latest date for which the national tabulation is available, one out of every 4.8 associations in the country which have sold bonds equal to 15% of their own assets are located in these two States.

Mortgage Lending Down 24% in 1942

Mortgage lending by the 3,800 member savings and loan associations of the Federal Home Loan Bank System during 1942 was nearly 24% less than in 1941, but remained well above the activity of the pre-war 1936-1939 period, it was reported on Feb. 13 by economists of the Federal Home Loan Bank Administration. Total loans during the year amounted to $888,908,000, as compared with $1,168,000,000 in 1941, $993,000,000 in 1940 and $797,000,000 in 1939. The advices likewise stated:

"Limitations on the construction of new homes were, of course, the main factor in the 1942 decrease. Analysis on the basis of the purpose for which the loans were made reveals a 57% drop in loans for the building of houses, as compared with a maximum decline of 31% for loans for any other purpose.

"Home-purchase loans became the backbone of all home-financing operations in 1942, as almost 55% of the total volume of the associations was for this purpose."

March Proclaimed As 'Red Cross Month'

President Roosevelt on Feb. 23 designated March as "Red Cross Month" and urged the people to contribute generously to the organization's war fund drive for $125,000,000.

In his proclamation the President noted that the demands made upon the Red Cross are steadily increasing and asked the people "to rededicate themselves to the splendid aims and activities of the Red Cross" during March. The President's proclamation follows:

"Whereas the American National Red Cross during the first year of our participation in the war has rendered vital humanitarian services to the members of our armed forces and to their families;

"Whereas the demands made upon the Red Cross are steadily increasing from day to day as it is called upon to accompany our Army and Navy into world-wide theatres of action, to provide blood plasma for our wounded, to send relief to American and United Nations prisoners of war, and to expand its preparations to meet emergencies at home; and

"Whereas the American National Red Cross is under the necessity of raising further funds in order that these essential services may be continued and expanded:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America and President of the American National Red Cross, do hereby designate the month beginning March 1, 1943, as 'Red Cross Month,' and I request that during that month our people rededicate themselves to the splendid aims and activities of the Red Cross. I summon the men, women and young people of our country, in every city and town and village, in every county and State throughout the land, to enlist in the army of mercy mobilized under the banner of the Red Cross and to contribute generously to the Red Cross war fund in order that the sum of $125,000,000, every cent of which is needed, may be raised promptly.

"In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

"Done at the City of Washington this 23d day of February, in the year of Our Lord nineteen hundred and forty-three, and of the Independence of the United States of America the one hundred and sixty-seventh.

"FRANKLIN D. ROOSEVELT."

Extends Lend-Lease For Another Year

The House Foreign Affairs Committee approved on Feb. 24 the measure extending the Lend-Lease Act until July, 1944. It was reported that several attempts to amend the measure by including special stipulations were rejected as possibly interfering with the Act's operations.

Among the proposals considered but rejected, it was learned by the Associated Press, were these:

1. A new preamble specifying China as an ally to which aid should be supplied by every means possible.

2. A prohibition against any post-war use by foreign nations of lend-lease material to suppress the rights and freedoms of any people.

3. A clause to prevent final determination of any "benefits" to be derived from lend-lease without the approval of Congres.

The authority of the original act expires on June 30. Hearings on the bill continuing lend-lease operations for another year were reported in these columns Feb. 25, page 760.

Industries Urge Repeal Of Renegotiation Law

The Associated Industries of Rhode Island has called upon Congress to repeal the law requiring renegotiation of war contracts. This is learned from the Providence "Journal," which states that in a letter to every member of Congress the Association says that "renegotiation is in effect repudiation, which is an odious act by whomsoever committed. There is and can be no justification for it. This is a matter of principle, with respect to which there can be no compromise." From the paper indicated we also quote:

"The letter and an accompanying memorandum declare that actually the word 'renegotiate' is a misnomer, since the Secretary of any Government Department is given the power to redetermine or change a contract price — in other words, the power to tell a contractor that a price fixed in a contract will not be paid but some lower price to be determined by some Government representative.

"Through this power," the Association contends, "corporations are kept in a continual state of uncertainty as to their profits. . . . The Renegotiation law also ignores the 80% ceiling which the Revenue Act of 1942 places on the over-all effective rate of tax on corporations.

"No limitation on profits is required other than that provided in the tax law itself. It must be obvious that under our present tax laws, with an income tax of 40% and an excess profits tax of 90%, the business corporations of the country will emerge from the war in a greatly weakened, and in many cases dangerously impaired, financial condition. Their profits after taxes are not excessive, but quite the reverse."

Moves To Halt Treasury Silver Purchases

The House on Feb. 9 voted against the silver purchase program. By a record vote of 200 to 104, the House approved an amendment to the $1,200,000,000 Treasury-Post Office appropriation bill to prevent any use of the Treasury's funds during the fiscal year 1944—which starts July 1—for the purchase or procurement of silver under the 1934 and 1939 Silver Purchase Acts.

While indicating the sentiment of the House the amendment has no practical effect, however, because the funds which actually finance silver purchases are not contained in the bill.

Representative Celler (Dem., N. Y.) sponsor of the amendment, conceded that it was only a gesture as to the intention of the House. Chief support for the proposal came from Republicans while the members from the silver States vigorously protested the action.

Several other measures have been introduced in Congress for a change in the Government's silver purchase program—some seeking repeal of the silver legislation and others seeking to release part of the silver to fabricators.

President Opposes Bill Requiring Senate Approval Of Federal Employees In $4,500 Jobs

President Roosevelt on Feb. 19 expressed "unqualified opposition" to the McKellar bill requiring Senate confirmation of all Government employees receiving $4,500 or more a year and urged that the bill "not be enacted into law."

In a letter to Vice-President Wallace, the President said that "confirmation of administrative, professional and technical employees by a legislative body is the very antithesis of the merit system and would sweep away years of civil-service progress." He also said the bill is "undesirable" because of the time it would take to examine the qualifications of the more than 33,000 positions which would be subject to Presidential nomination and Senate confirmation. Mr. Roosevelt further stated that if the bill is enacted "the American people will not fail to realize that it is the legislative branch of the Government that is thus holding up vigorous prosecution of the war program;" he added that the bill if enacted "would also adversely affect the recruitment of persons for key positions."

In defense of his bill, Senator McKellar (Dem., Tenn.) said on Feb. 20 that "its purpose is simply to follow the tried, proved, and constitutional way, the American way, of appointing officials of the Government." He further asserted that 10 of the "most important policy-determining officials" of the Government were not confirmed by the Senate, "as everybody admits is required by the Constitution."

The text of the President's letter to Vice-President Wallace follows:

My dear Mr. Vice-President:

My attention has been called to the provisions of S. 575. I desire to express my unqualified opposition to this proposed legislation.

The proposal for Presidential nomination and Senate confirmation of all employees receiving more than $4,500 per annum presupposes Congressional responsibility for the operations of executives agencies. An agency head is responsible for the success or failure of his program. This accountability is dissipated if responsibility for the appointment of employees is divided.

Under our form of government the appointment of those officers who, in a fundamental sense, determine policy has generally been subject to Senate confirmation. But determination of policy is not synonymous with the exercise of administrative discretion. Neither does it include work performed by the vast number of technical and scientific personnel who occupy positions which fall above a salary figure of $4,500 or any other arbitrary amount.

The practice of the Federal Government with respect to the selection and appointment of non-policy-determining employees has evolved over a period of 60 years. This development culminated in the passage of the Ramspeck Act of 1940 requiring the appointment of practically all such employees on the basis of merit under the Civil Service Act. To turn the clock back by reversing this decision would be folly in time of peace. In war it would be little less than tragic.

Equally important are the practical considerations which make this bill undesirable. More than 33,000 positions would be subject to Presidential nomination and Senate confirmation under the terms of the proposed legislation. I do not have the time personally to examine the qualifications of the individuals whose appointments would in such circumstances have to be approved by me. It is equally evident that the Congress does not have the time. Senate confirmation would either become a rubber-stamp process or a task of such magnitude as to leave little time for the conduct of legislative business and to delay appointments to essential war jobs.

The experience with confirmation of War Manpower Commission appointments as required by its appropriation act is significant. On Jan. 11, 1943, 30 names were nominated to the Senate. No action was taken until Feb. 15, when 21 names were confirmed and one was sent back to the committee. At the present time, almost six weeks after the submission of the nominations, action still remains to be taken in eight cases. If the proposed bill is enacted into law, with the inevitable multiplication of delays of this character, the American people will not fail to realize that it is the legislative branch of the Government that is thus holding up vigorous prosecution of the war program.

This bill, if enacted into law, would also adversely affect the recruitment of persons for key positions. It would lay all of us open to the charge that we are playing politics with the war program. We cannot permit confidence in the Government to be undermined in this manner. Neither can we afford to add the obstacle of Senate confirmation to other difficulties which confront us in our efforts to secure the best talent of the nation for the Government service.

During the past 2½ years, in the face of a steadily dwindling reserve of manpower, the Government service was expanded from less than 1,000,000 employees to approximately 3,000,000. Undoubtedly in view of the large numbers involved, the limited supply, and the speed required, mistakes have been made. Corrective steps have been taken and will continue to be taken to eliminate abuses and to strengthen the machinery for the application of the merit principle to the recruitment, advancement, and removal of employees.

In our zeal to correct mistakes, however, we should not make the error of undermining the entire administrative structure that has been erected for the conduct of the war. Confirmation of administrative, professional, and technical employees by a legislative body is the very antithesis of the merit system and would sweep away years of civil-service progress.

For these reasons I urge that this bill not be enacted into law.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

Jan. Living Costs Up In Industrial Cities

The cost of living for wage earners and lower-salaried clerical workers in January rose in 61 out of the 70 cities surveyed each month by the National Industrial Conference Board. The largest advance, 1.3%, was shown in Dayton, O. Four other cities rose 1% or more, while two showed no change, and seven reported declines. For the United States as a whole, the cost of living rose 0.4%.

The Board's announcement adds:

"Living costs were higher this January than in January, 1942 in all cities for which comparable figures are available. Erie recorded the largest increase during the twelve-month period with an advance of 11%. The smallest was shown in Houston, where it rose only 4.7%. The cost of living for the United States as a whole stands 7.3% higher than a year ago, and 17.9% above January, 1941."

Repayments of Loans On Life Ins. Policies Increased during 1942

Repayments of life insurance policy loans were on a substantially larger scale during 1942 than in the preceding year, indicating that people are taking advantage of increased earning power to reduce their debts, according to the Institute of Life Insurance, in an announcement issued Feb. 24 This, it is noted, is in line with the emphasis placed by the Government on the importance of debt reduction under today's conditions, the desirability of debt repayment having been officially recognized in the Victory Tax legislation. The Institute also pointed out:

"The effect of policy loan repayments is to divert from spending channels a portion of the increased purchasing power of the people. In this way it is an aid to the effort to control inflation. Another effect is to increase the amount of funds available for investment by the life insurance companies in U. S. Government bonds or in the securities of companies whose services are vital to the war effort."

From the announcement we also quote:

"The rate of policy loan repayments was accelerated during the year, the amount of such repayments being approximately 15% greater than in the preceding year. Actual loan repayments were substantially in excess of the net reduction of $220,000,000 in aggregate loans outstanding with the insurance companies.

"New loans continued to be made in some volume to meet emergency situations which always arise in the case of individual policyholders even in times of prosperity. The aggregate of such new loans, however, was from 30 to 40% below the total reported for 1941.

"Total policy loans outstanding at the year-end are reported as $2,700,000,000, a decrease of more than $1,000,000,000 from the all-time peak reached in 1932. Currently, the ratio of policy loans to total assets is at an all-time low, representing only 7.8% as compared with approximately 18% in 1932.

"In general, the 1942 record follows the trend which is characteristic of this class of loan. Designed primarily for emergencies, policy loans were widely used during the years 1929 to 1932, when a total of nearly $3,000,000,000 in these loans was granted by the life insurance companies to their policyholders. helping to save many families and businesses from financial disaster."

Cotton Spinning For January, 1943

The Bureau of the Census announced on Feb. 20 that according to preliminary figures, 23,759,386 cotton spinning spindles were in place in the United States on Jan. 31, 1943 of which 22,889,954 were operated at some time during the month, compared with 22,887,072 for December, 22,948,248 for November, 23,012,046 for October, 22,956,224 for September, 22,973,572 for August, and 23,087,308 for January, 1942. The aggregate number of active spindle hours reported for the month was 10,820,499,537. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during January, 1943 at 138.8% capacity. This percentage compares, on the same basis, with 127.9 for December, 133.4 for November, 136.9 for October, 134.9 for September, 136.4 for August, and 137.0 for January, 1942. The average number of active spindle hours per spindle in place for the month was 455.

Sumner Welles Issues Statement Regarding U. S. Oil And Food Shipments To Spain

Following reports on Feb. 26 that it had been disclosed that the United States has been exporting oil, cotton, food and other products to Spain to aid in the restoration of her economy, members of the Senate were indicated on Feb. 27 as planning to call for an inquiry into the situation. The statement regarding oil and food shipments to Spain was made by American Ambassador Carlton J. H. Hayes before the American Chamber of Commerce at Barcelona, Spain, according to Associated Press accounts from there on Feb. 26, which reported him as saying: "The United States stands ready to continue and extend any help it can to Spain, which itself is doing so much with such obvious success to develop a peace economy that can, and will, carry this country safely into a future period of world peace."

The same advices further reported Ambassador Hayes as follows:

"He said the amount of petroleum products available in Spain now is 'considerably higher than the present per-capita distribution to the people of the Atlantic seaboard of the United States itself,' and that oil has been flowing to Spain since last September in an amount equal to the full capacity of the Spanish tanker fleet.

"Ambasador Hayes disclosed that 25,000 tons of sulphate of ammonia were made available to this country recently despite shortages in America. He also disclosed that a shipment of 10,000 tons of cotton recently was sent to Spain, and said 'a very notable increase of cotton imports' could be expected here.

"Other products urgently required here which are being furnished by America include peas, beans, coal, cellulose, carbon black, codfish and industrial chemicals, Hays said, adding that petroleum products shipments had, by Jan. 1, given the Spanish sufficient stocks to increase gasoline rations, put more trucks on the highways and start buses running in Madried."

Associated Press accounts in the matter from Washington Feb. 26 had the following to say in part.

"At the State Department, in clarification of the speech made by Ambassador Hayes, it was said that oil from the Caribbean, but none from the United States, is reaching Spain in Spanish tankers. The text of the speech was not available at the department, where reporters were told that it had not yet been received.

"Spain is able to obtain more oil proportionately than the Eastern seaboard, an official explained, because German and Italian submarines refrain from attacking her tankers.

"Trade in other commodities between America and Spain was described unofficially as part of a good-will policy to keep Spain out of the war in the hope that, should the Germans attempt to occupy the Iberian Peninsula as a base against Allied forces, the Spaniards would resist the invasion."

On March 1, Sumner Welles, Acting Secretary of State, issued a statement, in which he asserted that the shipment of petroleum products from the Western Hemisphere to Spain was in line with the interests of the United States and "has had no effect whatever on the quantity of petroleum available to any consumers in the United States." As to his further remarks we quote the following from the Associated Press:

"Mr. Welles said that this country's trade with Spain was a two-way trade and that certain commodities in Spain were needed in the American war effort.

"'It is naturally in our interest,' he added, 'that those Spanish commodities needed in this country should reach the United States rather than fall into enemy hands, and to accomplish this a trade program is necessary. The trade program with Spain has been carefully reviewed by the Joint Chiefs of Staff."

On the spacific question of petroleum shipments, Mr. Welles stated:

"The carefully restricted quantity of petroleum which has been cleared by the two governments destined to Spain has, with the exception of packaged lubricants, been obtained from sources outside the United States and has been transported exclusively in Spanish tankers."

Advices to the effect that Senator Russell, Democrat, of Georgia, called for a Congressional investigation of the situation, with Senator Wheeler, Democrat, of Montana, expressing hope that the shipments did not find their way "into Hitler's hands to be used to fight American boys in North Africa," were contained in Associated Press accounts Feb. 27 which likewise stated:

Senator Lucas, Democrat, of Illinois, said that he was willing to trust Secretary of State Cordell Hull's judgment as to how to keep Spain neutral, but Senator Nye, Republican, of North Dakota, sided inferentially with the others saying he wondered how long American economy would permit large shipments abroad.

President Disputes Those Interpreting Stalin's Order

President Roosevelt on Feb. 23 disputed the opinions of those who interpret Premier Josef Stalin's order of the day to the Red Army as indicating that Russia will drop out of the war after the Germans have been driven from the borders of the Soviet country. According to Washington press advices, the President told his press conference that the Premier did not say that and suggested that it would be better to stick to the language used by Mr. Stalin in his order. Mr. Roosevelt added, however, that he was not in a position to comment further on the order as he had not read it.

In his order to the Red Army on its 25th anniversary, Premier Stalin was reported by the Associated Press as saying that the Red Army was "not created for the purpose of conquest of foreign countries, but to defend the frontiers of Soviet land," and that Russia was now engaged in a campaign "to defend its native land against the German invader and to drive him from the borders of our country."

He also noted the absence of a second front in Europe and declared that "the Red Army alone is bearing the whole weight of the war."

Eisenhower Promoted To Full General Rank

Lieut. Gen. Dwight D. Eisenhower, Allied Commander-in-Chief in North Africa, was recently promoted to the rank of full General of the U. S. Army. President Roosevelt sent the nomination to the Senate on Feb. 11 and that body unanimously confirmed the appointment the same day.

There are three other four-star generals on active duty: George C. Marshall, Army Chief of Staff; Douglas MacArthur, Allied Commander-in-Chief in the Southwest Pacific, and Malin Craig, former Chief of Staff, who is Chairman of the War Department Personnel Board, set up to pass on Army commissions for civilians.

John J. Pershing, head of U. S. forces in the first World War, is listed as a retired general, but by special Act of Congress remains as "General of the Armies."

Factory Workers' Hours And Earnings In Dec. Again Showed Increase, Labor Dept. Reports

The average hours worked per week in manufacturing were 1% more in December than in November and 8% more than in December of last year, with the 48 hour scheduled work week being maintained in the war industries, Secretary of Labor Perkins reported on Feb. 19. "The gain over November was almost entirely in the nondurable industries, where hours worked per man on the pay roll for any part of the payroll period averaged 42.1, 6.4% above last year," she said. "In the durable-goods industries where for some months most establishments have been working 48 hours or more, the average actually worked was 46.2, or 8.7% higher than a year before."

Secretary Perkins further stated:

"Because absenteeism and labor turnover probably account for a difference of two hours, between the scheduled work week and the hours actually worked, industries reporting 46 hours are operating on a 48-hour schedule. Of the durable-goods industries which are engaged largely in war production more than half (27 out of 49) reported 46 hours or more and three of these—machine tools, textile machinery, and locomotives—exceeded 50 hours.

"Among the 52 industries shown in the nondurable group, only 10 reported about 46 hours or more per week, five in the food group, one in paper and pulp, three in chemical and allied products, and one in miscellaneous (professional and scientific instruments).

"Of the 14 non-manufacturing industries for which man-hour information is available, crude petroleum and bituminous coal mining reported the greatest increases over the month before. Only quarrying showed any significant reduction in hours worked per week.

"Hourly earnings in December, including overtime premiums, shift differentials, etc., changed very little from November in the double-goods industries and averaged 100.4 cents, or about 12% above the earnings of the year earlier. The decrease in earnings in a few industries reflects the influence of overtime payments for Armistice Day work on earnings in November. In the nondurable-goods industries, however, earnings rose to 76.2 cents, continuing the trend of about two-thirds of a cent advance per month which has prevailed since the spring of 1941. Earnings in the foods, chemicals and allied products, and rubber groups gained by more than 1% over the month. Hourly earnings over the year advanced from 10 to 12% in these three groups of industries.

"In non-manufacturing, coal mining (100.3 cents in anthracite and 108.5 cents in bituminous coal) and building construction, 123.0 cents, reported average hourly earnings from 1 to 1½% higher than in the previous month. While coal mining was but little above December, 1941, building construction, dyeing and cleaning, and quarrying had gained by over 12%. Metalliferous mining was 10% above the year before.

"Weekly earnings averaged $46.18 in December in the industries of the durable-goods group or about the same as the month before and about 25% more than in December, 1941. In the industries of the nondurable-goods group, weekly earnings averaged $32.08 or about 2½% more than in November and about 20% more than in December, 1941."

The Department's announcement explains that these averages for manufacturing groups have been revised to take into account data for additional industries not previously included in the compilation and extensive revisions in the employment estimates which are used as weights. Comparable series from January, 1939, to date are available on request.

The Department points out that "it should be noted that manufacturing plants converted to war production are being temporarily continued under their peace-time industry classifications."

Increased Newspaper Costs Raise Prices

As reflecting the increased costs of putting out the daily newspaper, a report by the American Newspaper Publishers Association indicates that more than half of the reporting papers now charge five cents a copy on retail sales. The New York "Sun" in its issue of Feb. 23, calling attention to the report, stated:

"Of 1,715 general circulation daily papers surveyed, 896, or 52%, listed five cents as the price for week-day editions, Sundays excluded.

"A year ago a check of 1,767 papers showed that 806, or 46% were priced at five cents. In 1941, of 1,821 replies, 794, or 44%, priced week-day editions at five cents.

"The 'penny' newspaper, once an American institution, apparently is on its way out, the survey indicated. Only four papers listed a cent a copy, as against nine last year.

"After the nickel papers, the largest price-group was at three cents, but this year's check-up showed 32% of daily papers in that class, a drop from the 42% of 1942, indicating a large shift from the three-cent level to four and five.

"There was a sizable percentage increase in the number charging four cents a copy, to 10% of the reporting group, from 1.8% a year ago.

"Five per cent of those replying to the questionnaire now charge two cents a copy, compared with 10% in that price-class in 1942."

The New Britain (Conn.) "Herald" on Feb. 23 announced an increase in its daily price from three to four cents, effective March 1. In Associated Press advices from Los Angeles Feb. 18, it was stated:

"The Los Angeles "Examiner" said today that effective Sunday the price of its Sunday edition would be increased from 10 cents a copy to 15 cents.

"A substantial portion of this increase," it said, "will go to the newsboys, newsdealers and distributors. who have higher costs to meet."

Late Registration For War Ration Book One

It was made known on Feb. 17 that any person who did not register for War Ration Book One before Jan. 15, might obtain this book from his local War Price and Ration Board after Feb. 22, provided he has filed the necessary application forms and that these have been examined and approved in accordance with instructions issued by the Office of Price Administration.

Ration Book One is now used for buying sugar, coffee and shoes, and during the week of Feb. 22, it was also needed to obtain War Ration Book Two.

In issuing instructions to late registrants, OPA made it clear that while Ration Book Two would be distributed at many convenient places, such as schoolhouses, churches, and community halls to facilitate a nation-wide registration, application for Book One must be made in person at the local Board serving the area in which an applicant regularly lives.

U.S. Life Companies Paid Out Less In 1942

Total payments to American families from their life insurance companies during 1942 were $2,402,517,000, an average of $6,582,000 a day for the first war year, it is reported by the Institute of Life Insurance. This aggregate is $123,000,000 smaller than in the previous year, the decline being almost entirely accounted for by the sharp reduction in payments of surrender values to policyholders to meet emergency situations, the Institute says, adding that this is a reflection of the improved financial status of the average family.

The Institute's announcement, made available Feb. 25, further said:

"The surrender values paid out in 1942 totaled $446,541,000, approximately 20% less than the $564,845,000 reported in 1941 and 35% less than the $680,062,000 total for 1940. They are now at an all-time low rate. As a result, family life insurance programs have been more fully maintained than in other years. The total of surrender values paid has declined sharply each year since the bottom of the depression. Such payments in 1942 were only one-third the 1933 amount, even though the total funds available to policyholders for emergency use is now 62% greater than in 1933.

"Death benefits paid in 1942 were slightly smaller than in 1941, in spite of the larger amount of insurance in force during the year and of the greater war hazards. The record is a direct reflection of the improved health conditions in the early part of the year. Increased deaths were recorded during the closing months of the year, however, December death-benefit payments being 6% greater than in the same month of 1941. The 1942 total was $1,002,990,000, of which $716,054,000 was under ordinary policies, $119,572,000 was under group insurance contracts, and $167,364,000 was under industrial policies. The aggregate compares with $1,009,636,000 in death benefits in 1941.

"Other payments to policyholders and beneficiaries were maintained at substantially the same high levels of recent years. 'This record is a demonstration of one of the important war services of life insurance,' the Institute report says. 'The continuing flow of these huge benefit funds acts as a stabilization force on the home front economy at a time when there is unusual need for financial strength and stability.'

"Matured endowment payments aggregated $261,519,000 in 1942, slightly more than the $260,257,000 of 1941. These payments represent an important part of the protection and security which American families have set up through life insurance."

Insolvent National Bank Liquidations

During the month of January, 1943, the liquidation of five insolvent national banks was completed and the affairs of such receiverships finally closed, according to an announcement made by Comptroller of the Currency Preston Delano.

Total disbursements, including offsets allowed, to depositors and other creditors of these five receiverships, amounted to $41,405,766 while dividends paid to unsecured creditors amounted to an average of 90.73% of their claims. Total costs of liquidation of these receiverships averaged 5.95% of total collections from all sources, including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of January, amounted to $1,424,654.

Introduce Bill To Suspend "Death Sentence" Provision Of Utility Holding Company Act

A bill under which the Securities and Exchange Commission would be authorized to suspend operations of its functions under Section 11 (the so-called "death sentence" provision) of the Public Utility Holding Company Act was introduced on Feb. 8 by Representative Howell (Republican) of Illinois. Mr. Howell, a member of the House Interstate and Foreign Commerce Committee, explained according to advices Feb. 8 to the New York "Journal of Commerce" from its Washington bureau, that he thought there was "merit in having the law modified at the present time because of the unfavorable market conditions with which the companies are faced in case they have to dispose of their holdings under the SEC proceedings." The advices from which we quote added:

"However, he indicated that a stronger measure might follow and explained that the proposal introduced today had been put out largely in the nature of a 'feeler' to sound out reaction.

"Mr. Howell admitted that in view of the position which the SEC has taken with respect to simplification proceedings that the mere grant of discretionary authority might not operate substantially to change present SEC practices.

"The SEC has, on a number of occasions, denied contentions advanced by public utility companies that exercise of its powers under the so-called death sentence provisions at this time will interfere with the prosecution of the war by involving the companies in protracted proceedings when they are concerned with the war effort.

"The bill introduced by Mr. Howell," said the same advices, "had been previously proposed by former Representaitve Paddock of Illinois."

The measure reads as follows:

"That notwithstanding the provision of Section 11 of the Public Utility Holding Company Act of 1935 (which requires the taking of action to bring about simplification of public utility holding company systems) the Securities and Exchange Commission is hereby authorized to suspend the exercise of its functions and duties under such section as, in its judgment, will be not inconsistent with the public interest."

The measure was referred to the House Interstate and Foreign Commerce Committee.

NY State Factory Work Hours Higher In 1942

The New York State Department of Labor reports that working hours of factory employees in New York State increased during the year 1942 from 41.6 per week in January to 44.3 in December. The hours of employees in war industries in the metals and machinery group ranged from 45.0 to 51.7 hours per week in December. The average hours for the group as a whole were 47.3 in January, 1942; they remained above 47.0 each month of the year, jumped to 47.9 in October and reached a maximum of 48.6 in December. The advices from the Department Feb. 17 also said:

"Average hourly earnings for total manufacturing in the State advanced from 85.1 cents in January, 1942, to 94.1 cents in December. During the year, average weekly earnings went up from $35.29 in January to $41.51 in December. There was a further increase in earnings to nearly $42.00 in January, 1943. Payrolls increased a little more than 1% during the month, while employment remained at about the same level. War plants hired more workers but factories making civilian goods reported decreases.

"The index of factory employment, based on the average of 1935-1939 as 100, was 155.9 in January, 1943; this represents an increase of 12.3% over that of January, 1942. The payroll index was 264.1, a rise of 33.5% from January of last year. The 1943 figures are based on preliminary tabulations covering reports from 2,694 firms throughout the State. The Division of Statistics and Information of the New York State Department of Labor is responsible for the collection, tabulation and analysis of these reports.

* * *

"Expansion in war plants continued although it was not so marked as in previous months. Manufacturers of airplanes, tanks, ships, communication equipment, electric apparatus and armaments hired more workers. Payrolls advanced in most of these industries. Increased activity was noted in the nonferrous metals group. Steel mills continued to decline and tin can factories dropped employees during the month. Net increases of 1.9% in employment and 1.8% in payrolls were reported for the metals and machinery group as a whole.

"Seasonal factors in the New York City clothing industries accounted for losses in the women's dress, lingerie and fur goods firms. Milliners reported large seasonal gains and manufacturers of women's suits and coats also started work on Spring lines. Fairly large decreases were reported by tobacco, food, leather and printing firms. Among the war industries, shipbuilders and manufacturers of scientific instruments showed the only notable increases.

"Syracuse again had the largest employment and payroll increases for the month; the only sizeable losses were in the stone, clay and glass group. In the Buffalo area, loses in food, clothing, wood products and chemicals were offset by gains in the metals and machinery group. War plants in the Utica and Kingston - Newburg-Poughkeepsie districts accounted for small increases in these areas."

To Inquire Into Acts Of Executive Agencies

Speaker of the House Rayburn on Feb. 18 appointed the seven members of the special committee which will investigate acts of executive agencies beyond the scope of their authority. Heading the group is Representative Smith (Dem., Va.) and the other members are Representatives Voorhis of California, Delaney of New York, Peterson of Georgia, Hartley of New Jersey, Jennings of Tennessee and Bennett of Michigan.

The resolution authorizing the investigation was passed on Feb. 11 by a vote of 294 to 50. Sponsored by Representative Smith, the resolution authorized the committee "to conduct investigations of any action, rule, procedure, regulation, order, or directive taken or promulgated by any department or independent agency of the Federal Government where complaint is made to said committee that such action, rule, regulation, procedure, order or directive: (1) Is beyond the scope of the power or authority granted to such department or independent agency by Congress or by Executive order. (2) Invades the constitutional rights, privileges, or immunities of citizens of the United States. (3) Inflicts penalties for failure to comply with such rules, regulations, or directives without affording those accused of violation an opportunity to present their defense before a fair and impartial tribunal."

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar 2	117.07	109.24	117.60	115.24	110.15	95.62	100.16	112.93	115.43
1	117.10	109.24	117.60	115.43	110.15	95.77	100.16	112.93	115.43
Feb 27	117.11	109.24	117.60	115.43	110.15	95.62	100.16	112.93	115.43
26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
25	117.11	109.24	117.80	115.43	110.15	95.32	99.84	112.93	115.43
24	117.11	109.06	117.60	115.43	110.15	95.16	99.68	112.93	115.43
23	117.11	109.06	117.60	115.43	110.15	95.01	99.68	112.93	115.24
22 Exchange Closed									
20	117.11	109.06	117.60	115.43	110.15	95.01	99.68	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
18	117.10	109.06	117.60	115.43	110.15	95.16	99.52	112.93	115.43
17	117.10	109.06	117.80	115.43	110.15	95.01	99.52	112.93	115.63
16	117.11	108.88	117.60	115.24	110.15	94.86	99.52	112.93	115.43
15	117.11	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.63
13	117.12	108.88	117.60	115.24	110.15	94.86	99.36	112.93	115.63
12 Exchange Closed									
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
10	117.10	108.88	117.80	115.24	109.97	94.56	99.20	112.75	115.63
9	117.10	108.88	117.60	115.24	109.97	94.56	99.04	112.75	115.63
8	117.08	108.88	117.60	115.24	109.97	94.56	99.20	112.75	115.43
6	117.09	108.88	117.80	115.04	109.97	94.71	99.20	112.75	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
4	117.12	108.70	117.60	115.04	109.97	94.56	99.20	112.75	115.43
3	117.14	108.88	117.80	115.04	109.97	94.71	99.20	112.75	115.43
2	117.07	108.88	117.60	115.04	109.97	94.71	99.20	112.56	115.43
1	117.04	108.88	117.60	115.04	109.97	94.71	99.20	112.56	115.43
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	117.14	109.24	117.80	115.43	110.15	95.77	100.16	112.93	115.63
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Mar. 2, 1942	116.78	106.56	115.82	113.31	107.62	91.62	96.85	110.15	113.31
2 Years ago									
Mar. 1, 1941	116.92	105.86	117.40	112.93	106.21	90.06	95.92	109.97	112.93

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar 2	2.06	3.21	2.77	2.89	3.16	4.03	3.74	3.01	2.88
1	2.06	3.21	2.77	2.88	3.16	4.02	3.74	3.01	2.88
Feb 27	2.06	3.21	2.77	2.88	3.16	4.03	3.74	3.01	2.88
26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
25	2.06	3.21	2.76	2.88	3.16	4.05	3.76	3.01	2.88
24	2.06	3.22	2.77	2.88	3.16	4.06	3.77	3.01	2.88
23	2.06	3.22	2.77	2.88	3.16	4.07	3.77	3.01	2.89
22 Exchange Closed									
20	2.06	3.22	2.77	2.88	3.16	4.07	3.77	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
18	2.06	3.22	2.77	2.88	3.16	4.06	3.78	3.01	2.88
17	2.06	3.22	2.76	2.88	3.16	4.07	3.78	3.01	2.87
16	2.06	3.23	2.77	2.89	3.16	4.08	3.78	3.01	2.88
15	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.87
13	2.06	3.23	2.77	2.89	3.16	4.08	3.79	3.01	2.87
12 Exchange Closed									
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
10	2.06	3.23	2.76	2.89	3.17	4.10	3.80	3.02	2.87
9	2.06	3.23	2.77	2.89	3.17	4.10	3.81	3.02	2.87
8	2.06	3.23	2.77	2.89	3.17	4.10	3.80	3.02	2.88
6	2.06	3.23	2.76	2.90	3.17	4.09	3.80	3.02	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
4	2.06	3.24	2.77	2.90	3.17	4.10	3.80	3.02	2.88
3	2.06	3.23	2.76	2.90	3.17	4.09	3.80	3.02	2.88
2	2.06	3.23	2.77	2.90	3.17	4.09	3.80	3.03	2.88
1	2.06	3.23	2.77	2.90	3.17	4.09	3.80	3.03	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.06	3.21	2.76	2.88	3.16	4.02	3.74	3.01	2.87
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Mar. 2, 1942	2.07	3.36	2.86	2.99	3.30	4.30	3.95	3.16	2.99
2 Years ago									
Mar. 1, 1941	2.06	3.40	2.78	3.01	3.38	4.41	4.01	3.17	3.01

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1942, page 202.

November Home Mortgage Recordings Lower

The Federal Home Loan Bank Administration announces that mortgage financing activity fell off sharply as the autumn drew to a close, receding to the lowest level since the short month of February, 1940. It is estimated that as a result of the 22% reduction from the previous month, only $278,300,000 in mortgages of $20,000 or under were recorded throughout the United States during November. This was the first full month in which OPA's regulations regarding the sale of tenant-occupied properties were in force, and this coincided with the effects of the WPB action during October further restricting the amount of new housing that can be built through the allocation of available materials.

The FHLBA report further said:

"The various institutional lenders showed slight changes from last month in their relative participation in the total mortgage market. Savings and loan associations accounted for 29% of total recording, commercial banks and individuals approximately 20%, insurance companies 9%, and mutual savings banks 4%. A comparison of the volume of business done by each type of lender reveals that commercial banks and 'others' declined about one-fourth from October, while the remaining lenders lost approximately one-fifth each. A greater divergence in shift is noted when we compare the volume of recordings for November with the same month of last year. Mutual savings banks recorded only 59% of their November, 1941, volume, commercial banks 63%, savings and loan associations 71%, 'others' 81%, while individuals held up best, having recorded almost 90% of their volume for November, 1941."

Type of Lender	November 1942				November 1941			Cumulative Recordings January-November		
	Volume (000)	% of Total	% Cng. from Oct.'42	% Chg. from Nov. 41	Volume (000)	% of Total	% Chg. from Oct.'41	Volume (000) 1942	Volume (000) 1941	% Chg.
S. & L. Assns.	$80,970	29.1	—21.5	—28.6	$113,353	30.0	—18.3	$1,095,052	$1,377,145	—20.5
Ins. Cos.	25,950	9.3	—20.3	—20.2	32,527	8.6	—18.5	338,440	366,499	— 7.7
Bk. & Tr. Cos.	58,519	21.0	—26.1	—36.6	92,316	24.4	—13.0	828,660	1,065,580	—22.2
Mut. Svgs. Bks.	11,596	4.2	—21.7	—41.0	19,653	5.2	—13.8	155,034	199,241	—22.2
Individuals	55,830	20.1	—17.4	—12.8	64,024	17.0	—14.5	678,490	718,653	— 5.6
Others	45,456	16.3	—23.8	—18.6	55,810	14.8	—15.0	581,531	612,487	— 5.1
Total	$278,321	100.0	—22.1	—26.3	$377,683	100.0	—15.7	$3,677,207	$4,339,605	—15.3

National Fertilizer Association Commodity Price Average Registers Fractional Decline

The rising trend in the general level of wholesale commodity prices was halted last week, according to the wholesale price index compiled by The National Fertilizer Association, and made public March 1, which was fractionally lower. In the week ended Feb. 27, 1943, this index fell off to 134.8 from 134.9 in the preceding week. A month ago the index stood at 133.9 and a year ago at 123.5, based on the 1935-1939 average as 100. The Association's report added:

The slight drop in the all-commodity index last week was due primarily to declining prices for foodstuffs and some farm products. Sharply lower prices for oranges and potatoes were responsible for a second decline in the food price index. Despite these declines, the food index is 13% above the corresponding week a year ago. In the farm product group price increases for cotton, corn, wheat, rye, barley, and fluid milk more than offset decreases in oats and hogs. Continued price advances took the textile average to a new high level. This group index is now well above the average for 1929, the previous peak year. The only other principal group average to change last week was that representing the prices of miscellaneous commodities, which advanced, due to continued increases in cattle feed prices.

Although the all-commodity price index fell off during the week price advances outnumbered declines 11 to 5; in the preceding week there were 17 advances and 1 decline; in the second preceding week there were 13 advances and 4 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Feb. 27 1943	Preceding Week Feb. 20 1943	Month Ago Jan. 23 1943	Year Ago Feb. 28 1942
25.3	Foods	137.0	137.7	138.0	121.9
	Fats and Oils	148.1	148.1	148.5	135.8
	Cottonseed Oil	159.0	159.0	159.0	159.0
23.0	Farm Products	153.4	152.6	150.7	132.7
	Cotton	199.8	197.3	195.2	182.9
	Grains	137.5	136.3	133.2	119.4
	Livestock	149.8	149.5	147.7	125.7
17.3	Fuels	121.7	121.7	120.0	113.3
10.8	Miscellaneous commodities	129.7	129.4	129.3	127.3
8.2	Textiles	151.2	150.9	150.5	146.6
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	151.9	151.9	151.4	134.8
1.3	Chemicals and drugs	127.6	127.6	127.6	120.3
.3	Fertilizer materials	117.6	117.6	117.6	118.3
.3	Fertilizers	117.6	117.6	115.3	115.3
.3	Farm machinery	104.1	104.1	104.1	103.8
100.0	All groups combined	134.8	134.9	133.9	123.5

*Indexes on 1926-1928 base were Feb. 27, 1943, 105.0; Feb. 20, 105.1; Feb. 28, 1942, 96.2.

Steel Operations At Higher Rate—Demand Continues To Increase—Plate Orders Rise

The American Iron and Steel Institute on March 1 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.2% of the capacity for the week beginning March 1, using as a basis the revised capacity ratings as of Jan. 1. 1943. That compared with the revised figures of 97.7% one week ago, and 98.3% one month ago. One year ago the operating rate was 97.2% of capacity. The operating rate for the week beginning March 1 is equivalent to 1,700,500 tons of steel ingots and castings, compared with 1,691,900 tons one week ago, 1,702,100 tons one month ago, and 1,651,100 tons one year ago.

(On the basis of the new capacity rating, the Institute reports, the revised operating rates for previous weeks in 1943 are as follows: Jan. 4, 95.8%; Jan. 11, 98.1; Jan. 18, 98.6; Jan. 25, 97.4; Feb. 1, 98.3; Feb. 8, 98.1; Feb. 15, 98.3; Feb. 22, 97.7.)

"Steel" of Cleveland, in its summary of the iron and steel markets, stated in part as follows: "Increased demand for steel, which appeared recently after a slight lull in buying, continues and is gaining force.

"Compared with a fortnight ago inquiry is livelier and booking of orders is on a wider scale. Part of this increase is attributed to placing of plate orders for April rolling. Ship requirements are larger, both from builders and subcontractors on parts and equipment. More specifications are coming out for synthetic rubber units and railroad and carbuilding requirements are increasing. Specifications for steel going into high-test gasoline plants are well maintained and a further phase of this program is expected to require additional material within a short time.

"Mills are operating more smoothly because of better planning on output and character of production. Directive orders are more stable, and fewer changes in mill equipment are required, making for longer runs and less lost time. This results in much greater efficiency and adds appreciably to tonnage turned out.

"Larger plate tonnage now being allocated is being handled better than in the past, as added experience has avoided former confusion. Even under these improved conditions plate demand is so strong that tonnage with ratings as high as AA-1 sometimes can obtain only extended delivery. After shipyards and their subcontractors are served each month little is left for others. Demand from these sources is constantly broadening. Structural fabricators engaged on work foreign to their normal lines, including gun mounts, are requiring large plate tonnages.

"Deliveries on hot-rolled carbon bars are becoming more difficult, now extending to small and medium sizes as well as large sections. Some sellers of medium rounds recently quoting six to seven weeks now offer eight to ten weeks, others claiming 12 weeks as their best. Smaller rounds are available in five to six weeks and large sizes in 12 weeks, the tendency being to longer periods. Some can promise little before June or July. Some progress is being made in substitution of bessemer for open-hearth steel and deliveries of the former are being extended proportionately.

"March pig iron allocations are expected to be larger and over a wider range than in February, somewhat counter to the trend of recent months, during which many melters met decline in their business. Makers of pipe, stoves and machine tool castings still find demand lower than a few months ago. It is believed these have reached the low point for the present.

"Industrial Salvage Section of WPB is pushing its projects for recovery of dormant scrap, working under an estimate that 13,000,000 tons of purchased material will be needed during first half, the larger part to come from industrial sources.

"Office of Price Administration has issued an amendment establishing dollar prices on secondary flat-rolled products from warehouse, including rejects, wasters, waste-wasters and side and end shearings. Reductions are 10 to 35% and parallel mill reductions made last September. This action will end confusion over prices of these materials which has existed for some time."

U. S. War Casualties Total 65,380

Announced casualties of the United States armed forces total 65,380, the Office of War Information reported on Feb. 20. It was explained that this total includes killed, wounded, missing and interned in neutral countries, and Army prisoners of war. The advices from the Office of War Information further said:

"The War Department reported that through Feb. 7, the Army's casualties totaled 41,948. Of this number 3,533 were killed; 6,509 were wounded. There were 25,684 missing, 6,132 are prisoners of war, and 90 are interned in neutral countries. Of the wounded, 743 have returned to active duty. The casualty total of 42,948 includes 12,500 Philippine Scouts, of whom 469 were killed and 747 wounded. The remainder are assumed to be prisoners of war.

"The Navy Department reported casualties, whose next of kin have been notified by Feb. 19, totaling, 23,432. These are as follows:

"Navy: dead, 5,083; wounded, 2,087; missing, 10,197; total, 17,367.

"Marine Corps: dead, 1,483; wounded, 2,344; missing, 1,994; total, 5,821.

"Coast Guard: dead, 51; wounded, 19; missing, 174; total, 244.

"Combined totals (Navy, Marine Corps and Coast Guard): dead, 6,617; wounded, 4,450; missing, 12,365; total, 23,432.

"Combined casualty total for all of the armed forces: dead, 10,150; wounded, 10,959; missing, 44,181; overall total, 65,380.

"The Army list is complete through Feb. 7, the latest date for which totals are available. The Navy list is up to Feb. 19, but includes only casualties whose next of kin have received notification."

Moody's Daily Commodity Index

Tuesday, Feb. 23	246.9
Wednesday, Feb. 24	246.0
Thursday, Feb. 25	246.0
Friday, Feb. 26	247.8
Saturday, Feb. 27	247.1
Monday, March 1	247.6
Tuesday, March 2	248.1
Two weeks ago, Feb. 16	246.2
Month ago, Feb. 2	245.0
Year ago, March 2	228.1
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, March 2	248.1
Low, Jan. 2	240.2

Federal Reserve January Business Indexes

The Board of Governors of the Federal Reserve System issued on Feb. 25 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for January, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES

1935-39 average = 100 for industrial production and freight-car loadings;
1939=100 for factory employment and payrolls;
1923-25 average = 100 for all other series

	Adjusted for —Seasonal Variation—			Without —Seasonal Adjustment—		
	Jan. 1943	Dec. 1942	Jan. 1942	Jan. 1943	Dec. 1942	Jan. 1942
Industrial production—						
Total	†200	197	171	†194	193	166
Manufactures—						
Total	†213	209	173	†207	207	173
Durable	†290	285	221	†286	283	216
Nondurable	†150	148	143	†144	145	137
Minerals						
Construction contracts, value—	†126	127	134	†117	120	125
Total	†137	175	118	†112	139	96
Residential	†80	91	82	†67	77	68
All other						
Factory employment—	†183	243	147	†149	190	119
Total	*	164.6	142.2	*	164.6	139.8
Durable goods	*	215.6	170.6	*	215.5	169.1
Nondurable goods						
Factory payrolls—	*	124.4	119.8	*	124.4	116.8
Total	---	---	---	*	287.7	200.7
Durable goods	---	---	---	*	391.2	255.9
Nondurable goods	---	---	---	*	186.5	146.8
Freight-car loadings	135	134	140	124	126	129
Department store sales, value	†142	125	138	†111	222	108
Department store stocks, value	*	†102	93	*	†96	83

*Data not yet available. †Preliminary or estimated.

Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

Construction contract indexes based on three-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	Adjusted for —Seasonal Variation—			Without —Seasonal Adjustment—		
	Jan. 1943	Dec. 1942	Jan. 1942	Jan. 1943	Dec. 1942	Jan. 1942
Manufactures—						
Iron and steel	203	200	192	203	200	192
Pig iron	197	197	189	197	197	189
Steel	225	221	209	225	221	209
Open hearth and Bessemer	181	179	176	181	179	176
Electric	539	523	449	539	523	449
Machinery	†347	338	250	†347	338	250
Transportation equipment	†560	548	305	†560	548	305
Non-ferrous metals & products	†200	201	191	†200	201	191
Lumber and products	†125	127	143	†108	116	122
Lumber	†117	119	138	†91	101	112
Furniture	†140	144	153	†140	144	142
Stone, clay, & glass products	*	148	165	*	139	138
Cement	*	165	167	*	156	137
Polished plate glass	38	39	68	38	39	68
Textiles and products	†160	156	158	†160	156	158
Cotton consumption	171	163	169	171	163	169
Rayon deliveries	180	178	180	180	178	180
Wool textiles	*	163	161	*	163	161
Leather products	†118	†116	128	†116	†115	125
Shoes	†118	116	127	†115	110	120
Manufactured food products	†159	158	139	†142	150	124
Wheat flour	129	126	108	130	121	109
Meat packing	†140	158	148	†165	186	173
Other manufactured foods	†168	165	140	†148	158	123
Tobacco products	140	160	134	132	137	126
Cigars	127	200	129	103	154	104
Cigarettes	162	166	149	159	147	146
Manufactured tobacco & snuff	94	94	99	91	83	96
Paper and products	*	132	153	*	129	151
Paperboard	137	134	168	137	134	168
Newsprint production	*	97	107	*	98	107
Printing and publishing	†112	114	128	†109	114	125
Newsprint consumption	102	106	104	97	108	99
Petroleum and coal products	*	119	133	*	119	133
Petroleum refining	*	112	129	*	112	128
Gasoline	†103	104	129	†103	104	129
Fuel oil	*	137	127	*	137	127
Lubricating oil	*	113	133	*	112	129
Kerosene	*	99	124	*	102	126
Coke	†165	166	161	†165	166	161
Byproduct	†156	156	152	†156	156	152
Beehive	†489	498	490	†489	498	490
Chemicals	†206	200	156	†205	201	155
Minerals—						
Fuels	†124	126	131	†124	126	131
Bituminous coal	†145	143	144	†145	143	144
Anthracite	†102	105	104	†102	105	104
Crude petroleum	†118	121	129	†118	121	129
Metals	†139	136	150	†75	82	91
Iron ore	232	223	210	---	19	---

FREIGHT-CAR LOADINGS
(1935-39 average = 100)

	Jan. 1943	Dec. 1942	Jan. 1942	Jan. 1943	Dec. 1942	Jan. 1942
Coal	119	116	119	135	132	136
Coke	161	177	154	193	193	184
Grain	157	143	‡140	138	130	‡123
Livestock	102	117	99	98	113	95
Forest products	130	137	156	117	122	141
Ore	202	210	186	50	59	46
Miscellaneous	149	146	152	132	135	134
Merchandise, l.c.l.	57	59	97	55	56	93

*Data not yet available. †Preliminary or estimated. ‡Revised.

Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

Non-Ferrous Metals—March Allocations For Copper, Lead, Zinc And Tin Set—Prices Same

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 25, stated: "Consumers who are to be allotted copper, lead, zinc, and tin during March knew exactly where they stood at the end of the week. The machinery set up in Washington to allocate the scarce materials is operating fairly smoothly, according to trade comment. The price situation in major metals underwent no change during the last week. Effective March 1, prices of aluminum products will be reduced, in some instances sharply, as a result of renegotiation of the contract with the Government. Extruded aluminum products will be lowered from a few cents up to 20¢ a pound." The publication further went on to say in part:

Copper

Wire mills received notification of tonnages of copper allotted to them for March on February 22, and the problem of who is to supply the metal has virtually been solved.

The price situation in copper remains unchanged. Domestic metal is moving to consumers on the basis of 12¢, Valley. Foreign copper is coming into the country at the equivalent of 11.75¢, f.a.s. United States ports.

The Non-Ferrous Metals Commission, Denver, on Feb. 19 announced increases in wages to approximately 2,000 workers employed by three copper companies in the upper peninsula of Michigan. Charles A. Graham, Chairman of the Commission, declared the raises were granted to eliminate "gross inequalities" in pay between non-ferrous metal workers in the area named and similar workers in other parts of the country. Copper Range, Isle Royale, and Quincy Mining are the three companies affected.

Lead

The Metals Reserve Co. will release between 12,000 and 14,000 tons of lead during March to round out deliveries to domestic consumers. The question of allocations for next month was decided on Feb. 24 after meeting of the lead group in Washington.

Demand for lead is going along at about the same rate as in recent months. Sales of common lead for the last week were lower than in the week previous. Quotations were unchanged.

Zinc

The broadened premium payment plan on over-quota mine production of zinc as finally announced by Jesse Jones contained little that was new to those identified with the industry. Among other points covered in the official release it is stated that "the quotas on which additional premiums are based may be increased at any ttime or may be revoked at any time upon 30 days' notice. Metals Reserve Co. will not effect any settlement with producers based on the additional premiums in the event of termination of the premium payment program prior to July 31, 1943."

Those eligible to obtain zinc during March received word on the extent of the quantities allotted to them during the last week. The quotation for Prime Western continued on the basis of 8¼¢, St. Louis.

Tin

Bolivia exported 3,754 metric tons of tin contained in concentrate during the month of January, which compares with 3,267 tons in the same month last year.

Straits quality tin for forward delivery was as follows:

	March	April	May
Feb. 18	52.000	52.000	52.000
Feb. 19	52.000	52.000	52.000
Feb. 20	52.000	52.000	52.000
Feb. 22		Holiday	
Feb. 23	52.000	52.000	52.000
Feb. 24	52.000	52.000	52.000

Chinese tin, 99% grade, continued at 51.125¢ a pound.

Aluminum

Prices on semi-fabricated and fabricated aluminum have been reduced, effective March 1, it was announced last week by the Aluminum Company of America. Increased volume of production together with new and improved technique, have greatly reduced costs, which resulted in the renegotiation of the company's agreement with the United States Government and the downward revision in the schedule of prices. The price of virgin aluminum ingot remains unchanged on the basis of 15¢. Pig aluminum, minimum 99%, is quoted at 14¢ a pound.

Quicksilver

With domestic production continuing at a good rate, in spite of the winter season, and imports being maintained, the supply situation in quicksilver is viewed as highly satisfactory. Large consumers report that the demand for their products has not diminished. Prices in New York continued at $196 to $198 per flask.

Silver

General Limitation Order L-227 was amended Feb. 20 to permit the use of copper for alloying silver for pen nibs.

On Feb. 9 the House of Representatives voted to nullify the Silver Purchase Act by barring use of Treasury funds for the purchase of silver under the terms of the act. The silver industry took small notice of this development because it is known that strong opposition to changing the silver laws will be encountered in the Senate.

The London market for silver was unchanged throughout the last week at 23½d per ounce troy. The New York Official held at 44¾¢, and the Treasury's price continued at 35¢.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc, and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Living Costs In Large Cities Advanced 0.2% Between Dec. 15-Jan. 15, Labor Dept. Reports

Living costs of city workers increased 0.2% last month, the smallest monthly advance since February, 1941, Secretary of Labor Perkins reported on Feb. 23.

"The cost of goods and services under OPA control on January 15 rose 0.3% during the month," she said. "The cost of gas, electricity and other services controlled by other Government agencies remained unchanged, while prices of goods and services not under any form of governmental control declined for the first time since May. The decrease of 0.3% occurred largely because of seasonally lower fruit and vegetable prices."

Secretary Perkins further stated:

"The slower rate of advance for the month ending Jan. 15, was largely brought about by two factors. With new crops from the South, prices of a number of fresh fruits and vegetables declined and the usual January clearance sales of men's and women's heavy wool coats and men's suits in many stores throughout the country brought price reductions in clothing. However, prices of coal went up by 2.5%, and there were continued slight advances in prices of many staple foodstuffs."

The Labor Department's announcement further reported:

"The Bureau of Labor Statistics' cost of living index reflects actual prices in retail stores where families with moderate incomes usually trade. Black market operations or sales to customers who pay bonuses for services cannot however, be measured.

"Food: The family food bill advanced 0.2% from mid-December to mid-January. Among the principal increases were higher prices for meat which rose 1.1%. Beef, veal, pork, and lamb prices went up less than 1%, while prices of poultry and fish, used by many families as substitutes for red meats, advanced 3.3% and 2.9% respectively. Prices of fresh milk rose 1.4% on the average, with higher prices for delivered milk in 8 cities and higher store prices in 13. The usual winter increases were reported for cabbage, green beans, apples, sweet potatoes, onions, and white potatoes. Among the fresh vegetables not under OPA control, however, lettuce prices dropped seasonally by over 6%, while carrots and spinach moved downward contraseasonally by 22 and 6%. Prices of oranges, grapefruits, and bananas, all under OPA control, declined seasonally. Prices of fats and oils rose 0.7%. Thrifty housewives are meeting this rise in part by selling waste fats back to their butchers.

The following table shows the trend of food prices from Dec. 15 to Jan. 12.

Group—	—Percentage Change— Dec. 15, '42 to Jan. 12, '43	May 12, '42 to Jan. 12, '43
ALL FOODS	+0.2	+ 9.4
Foods under direct control Jan. 12, '43	+0.6	+ 7.4
Controlled on May 18, 1942	+0.6	+ 1.8
*Brought und. control since May 18, 1942	+0.3	+18.7
Foods not und. direct control Jan. 12, '43	—2.3	+27.2

*Includes peanut butter placed under control on May 18, exempted from control in August, and new ceilings set in December.

"On Jan. 12 the Bureau's index of food costs stood 33% above the 1935-39 average, 9.4% above May 12, and 14% above a year ago.

"Clothing: Clothing prices remained unchanged on the average in the large cities of the country between Dec. 15 and Jan. 15, 1943. January clearance sales of men's and women's heavy woolen suits and coats brought about the decreases in 11 cities. Elsewhere, however, men's and women's wool coats returned to ceiling levels after December sales. Higher prices for shoes and shoe repairs were also reported. Goods of the quality previously priced were not available in some parts of the country, and clothing costs increased because customers were obliged to buy goods in higher price lines.

"Housefurnishings: Housefurnishing costs showed no change between Dec. 15 and Jan. 15. Birmingham, where prices of sheets advanced, was the only city reporting increased prices for household goods, while declines in prices of sheets were noted in New York, Philadelphia, and Pittsburgh. Part-wool blankets were also lower than in December in several cities.

"Fuel, electricity and ice: Costs of fuel, electricity and ice rose 0.9% over the month. Anthracite and bituminous coal ceilings were revised upward by OPA to compensate the retailer for the higher prices of coal at the mine. In addition, a Federal transportation tax on coal caused a slight increase. Fuel oil prices advanced in several cities as a result of expenses incurred by dealers in complying with the rationing program.

"Miscellaneous goods and services: Miscellaneous goods and services rose 0.3%. Higher charges for medical services were reported in Chicago, Cleveland, Detroit, Houston, San Francisco, and Seattle. Newspaper rates advanced in Buffalo, Chicago, Cincinnati, and Philadelphia.

"The relative importance of gasoline in cities on the Eastern Seaboard, as used in computing the index, was reduced to allow for decreased consumption caused by the lowered value of ration coupons and the ban on pleasure driving.

"Rents: Rents were not surveyed in January, as an economy measure. Since last September when rent control had become established in most large cities, rents have varied little from month to month in the 21 cities covered in the Bureau's monthly cost of living index. The Bureau's regular survey of rents will be made in March."

Daily Average Crude Oil Production For Week Ended Feb. 20, 1943 Showed Slight Gain

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 20, 1943 was 3,874,300 barrels, an increase of 3,500 barrels over the preceding week. The current figure, however, was 203,050 barrels per day less than during the corresponding period last year, and was 288,000 barrels below the daily average figure for the month of February, 1943, as recommended by the Petroleum Administration for War. Daily production for the four weeks ended Feb. 20, 1943, averaged 3,856,200 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,694,000 barrels of crude oil daily and produced 10,324,000 barrels of gasoline; 4,029,000 barrels of distillate fuel oil, and 7,405,000 barrels of residual fuel oil during the week ended Feb. 20, 1943; and had in storage at the end of that week 92,215,000 barrels of gasoline; 33,367,000 barrels of distillate fuels and 70,428,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P.A.W. Recommendations February	*State Allowables Beginning Feb. 1	—Actual Production— Week Ended Feb. 20 1943	Change From Previous Week	4 Weeks Ended Feb. 20 1943	Week Ended Feb. 21 1942
Oklahoma	395,300	395,300	†347,700	— 4,900	349,400	396,750
Kansas	310,500	310,500	†316,650	+ 16,800	303,500	247,100
Nebraska	3,000	------	†2,600	+ 250	2,400	4,450
Panhandle Texas			88,900	----	88,800	86,700
North Texas			135,350	----	135,700	148,700
West Texas			213,900	----	207,500	299,250
East Central Texas			100,000	----	100,400	90,700
East Texas			325,100	----	325,700	368,400
Southwest Texas			157,750	----	162,250	222,600
Coastal Texas			322,100	+ 2,100	317,700	297,450
Total Texas	1,452,000	‡1,452,714	1,343,100	+ 2,100	1,338,050	1,513,800
North Louisiana			90,750	— 800	91,400	81,250
Coastal Louisiana			246,550	----	246,850	272,700
Total Louisiana	349,800	362,300	337,300	— 800	338,250	353,950
Arkansas	78,700	74,826	75,250	— 450	75,400	73,350
Mississippi	50,000		†55,000	— 1,900	55,400	90,550
Illinois	272,200		242,700	— 2,500	239,000	346,750
Indiana	17,200		†15,800	+ 100	16,600	16,950
Eastern (not incl. Ill. & Ind.)	114,600		82,750	—11,800	90,250	95,200
Michigan	63,700		58,600	— 4,600	59,800	50,700
Wyoming	94,100		91,700	+ 4,850	88,750	86,850
Montana	24,700		21,450	----	21,650	21,700
Colorado	7,000		7,100	— 150	6,950	5,700
New Mexico	105,800	105,800	96,600	----	97,450	119,950
Total east of Calif.	3,338,600		3,094,300	— 3,000	3,082,850	3,423,750
California	823,700	§823,700	780,000	+ 6,500	773,350	653,600
Total United States	4,162,300		3,874,300	+ 3,500	3,856,200	4,077,350

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in November, 1942, as follows: Oklahoma, 29,900; Kansas, 5,800; Texas, 106,300; Louisiana, 20,800; Arkansas, 3,000; Illinois, 10,300; Eastern (not including Illinois and Indiana), 11,500; Michigan, 100; Wyoming, 2,600; Montana, 300; New Mexico, 5,800; California, 42,100.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Feb. 17.

‡This is the net basic allowable as of Feb. 1 calculated on a 28-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 13 days, the entire state was ordered shut down for 10 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 10 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED FEB. 20, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,667	68.2	4,566	39,838	15,637	10,394
Appalachian	177	84.8	152	85.9	405	3,017	666	574
Ind., Ill., Ky.	811	85.0	743	91.6	2,262	19,505	3,881	2,755
Okla., Kansas, Mo.	416	80.1	345	82.9	1,068	7,569	1,516	1,385
Rocky Mountain	147	48.0	87	59.2	319	2,000	369	536
California	817	89.9	700	85.7	1,704	20,286	11,298	54,784
Tot. U. S. B. of M. basis Feb. 20, 1943	4,812	86.2	3,694	76.8	10,324	†92,215	33,367	70,428
Tot. U. S. B. of M. basis Feb. 13, 1943	4,812	85.9	3,605	74.9	10,453	¶92,313	34,292	70,666
U. S. Bur. of Mines basis Feb. 21, 1942			3,876		12,506	106,984	35,433	87,825

*At the request of the Petroleum Administration for War. †Finished, 82,088,000 barrels; unfinished, 10,127,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 4,029,000 barrels of gas oil and distillate fuel and 7,405,000 barrels of residual fuel oil produced during the week ended Feb. 20, 1943, which compared with 4,138,000 barrels and 7,573,000 barrels, respectively, in the preceding week, and 3,799,000 barrels and 6,813,000 barrels, respectively, in the week ended Feb. 21, 1942. ¶Revised in Indiana-Illinois-Kentucky district, due to inclusion of 204,000 barrels of unfinished gasoline not previously reported.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that production of soft coal continues at approximately the same high rate attained in the week ended Feb. 13. The total output in the week ended Feb. 20 is estimated at 12,160,000 net tons compared with 12,200,000 tons in the preceding week and 10,971,000 tons in the corresponding week of 1942. For the current year to date, soft coal production was 1.7% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Feb. 20, 1943 was estimated at 1,133,000 tons, a decrease of 204,000 tons (15.3%) from the preceding week. When compared with the output in the corresponding week of 1942, there was a decrease of 26,000 tons, or 2.2%. The calendar year to date shows a gain of 1.5%.

The U. S. Bureau of Mines also reported that the estimated production of by product coke in the United States for the week ended Feb. 20 showed an increase of 700 tons when compared with the output for the week ended Feb. 13. The quantity of coke from beehive ovens decreased 8,100 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

In Net Tons (000 omitted)

	—Week Ended— Feb. 20 1943	Feb. 13 1943	Feb. 21 1942	—January 1 to Date— †Feb. 20 1943	Feb. 21 1942	Feb. 20 1937
Bituminous coal and lignite—						
Total incl. mine fuel	12,160	12,200	10,971	83,369	81,954	72,751
Daily averag	2,027	2,033	1,829	1,939	1,863	1,692
*Crude Petroleum—						
Coal equivalent of Weekly output	6,206	6,200	6,530	45,226	49,605	37,714

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	—Week Ended— §Feb. 20 1943	Feb. 13 1943	Feb. 21 1942	—Calendar Year to Date— Feb. 20 1943	Feb. 21 1942	Feb. 23 1929
Penn. anthracite—						
*Total, incl. colliery fuel	1,133,000	1,337,000	1,159,000	8,128,000	8,009,000	12,429,000
†Commercial production	1,088,000	1,284,000	¶1,113,000	7,803,000	¶7,689,000	11,534,000
Beehive coke—						
United States total	150,700	158,800	140,900	1,118,400	1,099,900	900,600
By-product coke—						
United States total	1,220,800	1,220,100	1,168,600	8,850,700	8,731,600	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	—Week Ended— Feb. 13 1943	Feb. 6 r1943	Feb. 14 1942	Feb. 15 1941	Feb. 13 1937	Feb. avge. ¶1923
Alabama	389	372	368	353	304	409
Alaska	6	6	6	3	2	**
Arkansas and Oklahoma	108	105	61	77	100	87
Colorado	186	189	169	143	206	231
Georgia and North Carolina	1	1	1	††	1	**
Illinois	1,423	1,454	1,300	1,246	1,407	1,993
Indiana	505	507	563	467	483	613
Iowa	66	61	75	67	125	136
Kansas and Missouri	217	217	181	168	204	174
Kentucky—Eastern	947	935	760	866	629	556
Kentucky—Western	317	307	281	238	63	226
Maryland	38	33	40	38	41	51
Michigan	8	8	10	13	18	26
Montana (bituminous and lignite)	105	106	61	64	77	80
New Mexico	37	37	34	28	46	58
North and South Dakota (lignite)	64	85	53	54	79	**37
Ohio	748	742	624	577	625	694
Pennsylvania (bituminous)	2,880	2,798	2,876	2,795	2,652	3,087
Tennessee	145	147	147	154	119	127
Texas (bituminous and lignite)	5	6	5	7	15	23
Utah	129	131	82	77	117	96
Virginia	406	398	354	339	294	212
Washington	42	38	41	35	56	77
*West Virginia—Southern	2,260	2,077	1,955	1,990	1,763	1,127
†West Virginia—Northern	961	920	844	717	715	673
Wyoming	205	198	148	126	164	156
‡Other Western States	2	2	††	††	††	**7
Total bituminous and lignite	12,200	11,880	11,029	10,642	10,305	10,956
§Pennsylvania anthracite	1,337	1,344	1,168	1,262	1,028	1,902
Total all coal	13,537	13,224	12,207	11,904	11,333	12,858

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G., and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons. r Revised.

Electric Output For Week Ended Feb. 27, 1943 Shows 14.2% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Feb. 27, 1943, was approximately 3,892,796,000 kwh., compared with 3,409,907,000 kwh. in the corresponding week last year, an increase of 14.2%. The output for the week ended Feb. 20, 1943, was 15.3% in excess of the similar period in 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	—Week Ended— Feb. 27	Feb. 20	Feb. 13	Feb. 6
New England	4.5	4.6	6.0	3.1
Middle Atlantic	8.4	9.2	8.6	5.1
Central Industrial	11.8	13.1	12.4	11.8
West Central	12.8	13.7	13.0	15.0
Southern States	17.7	19.7	19.3	20.4
Rocky Mountain	9.4	14.8	14.2	12.3
Pacific Coast	31.0	30.8	32.2	29.9
Total United States	14.2	15.3	15.1	14.0

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Nov 7	3,761,961	3,368,690	+11.7	2,858,054	1,520,730	1,798,164
Nov 14	3,775,878	3,347,893	+12.8	2,889,937	1,531,584	1,793,584
Nov 21	3,795,361	3,247,938	+16.9	2,839,421	1,475,268	1,818,169
Nov 28	3,766,381	3,339,364	+12.8	2,931,877	1,510,337	1,718,002
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec 12	3,937,524	3,475,919	+13.3	3,003,543	1,563,384	1,840,863
Dec 19	3,975,873	3,495,140	+13.8	3,052,419	1,554,473	1,860,021
Dec 26	3,655,926	3,234,128	+13.0	2,757,259	1,414,710	1,637,683

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718,304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,699,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719

Wholesalers' Sales, Inventories, And Credits In December

December sales of wholesalers, amounting to $307,886,000, advanced 5% over December a year ago, according to an announcement released Feb. 8 by J. C. Capt, Director of the Census. In November, 1942, as compared with the corresponding month of 1941, wholesale dollar volume increased 10%. The gain between November and December of this year was 5%. Sales for the 12 months of 1942, totaling $4,412,636,000, were 14% above those for the year 1941. This may be compared with the 31% increase reported for 1941 over 1940.

The Census Bureau's announcement further stated:

"Twenty-three of the 35 trades for which separate data are presented in this report showed increases in sales for December of this year compared with December, 1941, 2 (industrial hardware supplies and petroleum) showed only slight decreases, while 10 registered larger losses. Wholesalers of shoes and other footwear recorded an increase of 35%; groceries and foods (specialty lines), 27%; dry goods and wines and liquors, each 24%; groceries and foods (retailer-cooperative warehouses), 22%; meats and meat products, 20%; tobacco and its products, 16%; drugs and sundries, 15%; liquor departments of other trades, 14%, and groceries and foods (voluntary group and full-line), 11%. Substantial sales decreases were shown for wholesalers of electrical goods (23%), jewelry (19%), and general hardware and furniture and house furnishings (each 18%). A 9% sales loss was recorded for each of the following wholesalers: Automotive supplies, lumber and building materials, and machinery, equipment, and supplies, except electrical.

"Inventories, in terms of dollars based on cost values, at the close of December were at approximately the same level as that of November of this year. Inventories at the close of December, 1942, were 23% below those for the same date last year, continuing the decline in evidence at the beginning of 1942.

"The stock-sales ratio for wholesalers at the close of December, 1942, was 110 as against 144 for December, 1941, and 115 for November, 1942. Of the 32 trades for which stock-sales ratios are shown, only 3 registered increases in their ratios for December, 1942, compared with those for December, 1941, and 29 showed decreases. Wholesalers of paper and its products, with a 13% decrease in sales and a slight (2%) increase in inventories, registered a stock-sales ratio of 159 for December, 1942, as compared with 135 for December a year ago. Plumbing and heating supplies wholesalers, with a sales loss of 12% and a 39% decrease in inventories, recorded a stock-sales ratio of 106 for December of this year as against a ratio of 142 for December, 1941. Wholesalers of shoes and other footwear, clothing and furnishings (except shoes), dry goods, electrical goods, and confectionery are among others that showed decreases in stock-sales ratios at the close of December, 1942.

"Collections on accounts receivable were up more than 21% for December, 1942 compared with December, 1941, and up 8% compared with November, 1942. The collection ratio for December of this year was 103; for December of last year, 85; and for November, 1942, 95. Accounts receivable were 12% less on Dec. 1, 1942, than on Dec. 1, 1941. Accounts receivable on Dec. 1, 1942, were 6% below those recorded for the beginning of November, 1942."

This monthly study is conducted jointly by the National Association of Credit Men and the Bureau of the Census.

Britain Will Buy So. American Meat For U. S. Forces Overseas

The Office of War Information announced on Feb. 21 that the United States is included among the United Nations on whose behalf the British Ministry of Food will be the sole purchaser this year of meat and meat products from Argentina, Brazil, Paraguay and Uruguay.

It is stated that this recommendation by the Combined Food Board was accepted by Secretary of Agriculture Wickard following review by an interagency committee including representatives of the Department of State, Board of Economic Warfare, War Shipping Administration, Office of Lend-Lease Administration and War Production Board.

The New York "Herald Tribune" in its Washington advices Feb. 21 stated: "Officials said all food earmarked for the United States in the pool would go to men in the armed forces overseas—none would be brought to continental United States.

"Total supplies bought by the British Food Ministry will be allocated among various claimant nations on the basis of recommendations of the Combined Food Board developed from surveys of total world meat supplies and war-time requirements.

"This unified buying plan, it was explained, was adopted to provide more efficient use of shipping, to make possible the orderly allocation of a war commodity vital to the United Nations throughout the world and to utilize tin more fully for military purposes.

"On account of its non-perishable character and utility under all conditions, particularly for combat troops, canned meat is given a high priority rating by military services. In order that canned meat may be conserved for the military services in action, consumption by the civilian populations will be eliminated by all the countries accepting the recommendation, and consumption within the military services will be limited to situations where other types of meat are not available."

N. Y. Cotton Textile Merchants Ass'n Elect

At a Director's meeting on Feb. 24 of the Association of Cotton Textile Merchants of New York, the following were reelected to office for the current year:

President, W. Ray Bell.

Vice President, Saul F. Dribben (of Cone Export & Commission Co.)

Treasurer, Charles A. Sweet (of Wellington Sears Co.)

To serve with these officers as an Executive Committee were named:

William J. Gallon of J. P. Stevens & Co., Inc.

Gerrish H. Milliken of Deering Milliken & Co., Inc.

Frederic A. Williams of Cannon Mills, Inc.

An item regarding new directors of the Association and a review of cotton textile activity during the past year appeared in these columns of Feb. 18, page 652.

Greek Church Honors President Roosevelt

Representatives of the United Greek Orthodox Churches in the Americas presented to President Roosevelt on Feb. 25 the Grand Cross of the Holy Sepulchre containing a piece of wood described as a part of the cross on which Christ was crucified.

Associated Press Washington advices indicating this added:

"It is the highest blessing the Greek church can bestow and it was conferred on Mr. Roosevelt 'in acknowledgment of your nobility of mind and heart, in appreciation of your ceaseless efforts in behalf of liberty, justice and peace and in recognition of the fact that the essence of Christ's teachings is found in the four freedoms of the Atlantic Charter.'

"The cross was sent to Mr. Roosevelt by the highest official of the Greek church, His Beatitude Timotheos, the patriarch of Jerusalem.

"Because of a slight illness, the President was unable to meet the delegation of Greek churchmen personally and the award was accepted for him by his secretary and military aide, Major Gen. Edwin M. Watson.

"The group was headed by Archbishop Athenagoras of the Greek Church in North and South America. He was accompanied by high officials of the Syrian, Russian and Serbian churches.

Gross And Net Earnings Of United States Railroads For The Month Of December

Earnings of the railroads of the United States for the month of December are not up to the all time record levels attained in the month of October but are close to the peak figures. Weather conditions in December were severe in nearly all parts of the northern section of the country and was a condition that the roads did not have to contend with in October. The December, 1942, results when compared with the corresponding month a year ago reflect the great strides that have been made in the all-out war effort.

Gross earnings of the railroads of the United States in December, 1942 were $702,994,999 against $479,573,554 in December, 1941, a gain of $223,421,445, or 46.59%. Net earnings in December, 1942 were $271,123,910 as against $126,981,858 in December, 1941, an increase of $144,142,052, or 113.51%.

The ratio of expenses to earnings in December, 1942 was 61.43%, which compares with 73.52% in December, 1941 and with 58.89% in November, 1942. We now give in tabular form the results for the month of December, 1942, as compared with December, 1941:

Month of December—	1942	1941	Incr. (+) or Decr. (—) Amount	%
Mileage of 132 roads	229,800	231,811	— 2,011	— 0.90
Gross earnings	$702,994,999	$479,573,554	+$223,421,445	+46.59
Operating expenses	431,871,089	352,591,696	+ 79,279,393	+22.48
Ratio of expenses to earnings	(61.43%)	(73.52%)		
Net earnings	$271,123,910	$126,981,858	+$144,142,052	+113.51

As shown above, the gross earnings of the railroads increased 46.59% for the month of December.

Now let us turn to the general business indices which underlie the upward course of the railroad earnings for the last month of 1942. In order to show the relation of the trends of the general activity of business to the gross earnings of the railroads during the month under review, we have assembled in the subjoined table those figures representative of the activity in the more vital industries for December of 1942 in comparison with the corresponding month for the years 1941, 1940, 1932 and 1929:

December—	1942	1941	1940	1932	1929
Building ($000):					
†Constr. contracts awarded	$708,716	$431,626	$456,189	$81,219	$316,368
Coal (net tons):					
‡Bituminous	48,400,000	48,694,000	41,400,000	31,522,000	47,046,000
§Pennsylvania anthracite	4,611,000	4,271,000	4,834,000	5,141,000	7,377,000
Freight Traffic:					
¶Carloadings, all (cars)	z3,455,511	z3,722,504	z3,332,086	z2,486,832	z4,137,016
††Livestock receipts:					
Chicago (cars)	8,059	7,843	7,931	12,261	20,024
Kansas City (cars)	------	3,164	2,498	3,493	8,485
Omaha (cars)	3,392	3,185	2,340	2,626	5,954
‡‡Western flour and grain receipts:					
Flour (000 barrels)	x1,905	x1,698	x1,570	x1,428	x1,556
Wheat (000 bushels)	x26,323	x21,764	x8,499	x12,212	x20,555
Corn (000 bushels)	x34,585	x25,402	x19,090	x9,438	x28,542
Oats (000 bushels)	x6,755	x7,254	x5,007	x3,222	x6,588
Barley (000 bushels)	x10,005	x12,022	x7,952	x2,693	x3,093
Rye (000 bushels)	x1,128	x2,643	x730	x575	x4,946
Iron and Steel (net tons):					
§§Steel ingot production	7,303,179	7,150,315	6,495,357	964,358	3,251,373
Lumber (000 ft.):					
¶¶Production	*	z961,704	z1,005,784	x344,956	x1,127,561
¶¶Shipments	*	z982,618	z1,200,481	x365,764	x968,657
¶¶Orders received	*	z1,248,704	z1,098,749	x406,680	x992,375

*Not available.

Note—Figures in above table issued by:

†F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks. z Five weeks.

A glance at the statistics compiled in the tabulation presented above reveals the fact that a majority of the items listed were more active in comparison with the corresponding period of 1941. Construction contracts awarded in the 37 states east of the Rocky Mountains totaled $708,716,000, an increase of $54,532,000 above the previous month, and $277,090,000, or 64.20% above December, 1941. Pennsylvania anthracite coal output recorded an increase of 340,000 net tons, or 7.96%, while bituminous coal showed a drop of 294,000 net tons, or 0.60% in comparison with the 1941 monthly total. Production of steel ingots and castings in December, 1942, amounted to 7,303,179 net tons which, despite the effects of the floods in the closing days of the month, was well above the November total of 7,184,560 net tons, and likewise exceeded December, 1941, when 7,150,315 net tons were produced. Flour and grain receipts at Western lake and river ports once again were moderately active in comparison with the same period of the previous year. Oats, barley and rye arrivals showed declines below their corresponding 1941 figures. Livestock receipts in general showed great improvement over 1941. Lumber shipments for the five weeks ended Jan. 2, 1943 were 1.3% greater than the average for the same period in the preceding three years. Taking into account that the following comparisons are based on reports of identical mills for equivalent working periods, lumber shipments in the month under review were 19% and the orders were 18% above production. Following the precedent set in previous months, total revenue freight carloadings for the five weeks ended Jan. 2, 1942 were 7.17% below the same period last year, the largest decrease of this kind for any month during 1942. This figure cannot be taken as a true comparison since the number of tons transported and distance of hauls were much greater toward the close of the year.

Turning our attention now to the separate roads and systems, we find that the individual figures are in consonance with the results shown in the general totals.

Of the 132 reporting railroads, 86 were able to surpass their 1941 gross earnings for the month of December, while 75 roads were able to translate their gross earnings into net earnings of $100,000 or more. At the same time four roads showed downward fluctuations in the gross and seven in the net recorded declines.

Analyzing the roads individually the Southern Pacific was foremost in both gross and net listings with increases of $22,420,163 and $18,376,600, respectively. The Union Pacific followed the list of gross gains with $18,983,104, while the Atchison Topeka & Santa Fe was second in the net category with an increase of $11,455,300. The Pennsylvania was third in the gross column showing an improvement of $17,945,529. The New York Central captured third place honors in the net classification with a gain of $11,147,475 over 1941. Other roads showing substantial increases were Baltimore & Ohio, Chicago Burlington & Quincy, Missouri Pacific, Atlantic Coast Line, Louisville & Nashville and Southern Ry. It is interesting to note that in this era of increased operating expenses and taxes, all of these roads were able to convert an amazing high percentage of their gross increases into the net column. In reference to decreases, the Virginian led the gross category, while the Bessemer & Lake Erie showed the largest decrease in the net, one of $911,834.

In the following tabulations we present the major variations of $100,000 or more, whether they be increases or decreases, in both gross and net listings for the separate roads and systems:

PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE MONTH OF DECEMBER

	Increase		Increase
Southern Pacific (2 roads)	$22,420,163	International Great Northern	$885,339
Union Pacific	18,983,104	Delaware & Hudson	839,954
Pennsylvania	17,945,529	Long Island	819,164
Atchison Topeka & Santa Fe	14,486,465	Delaware Lack. & Western	804,541
New York Central	*13,250,158	Colorado & Southern (2 rds.)	786,092
Baltimore & Ohio	7,019,344	Alabama Great Southern	754,195
Missouri Pacific	6,999,357	Western Maryland	713,977
Southern	6,328,269	Central of Georgia	709,681
Atlantic Coast Line	6,277,758	Chicago & East Illinois	709,101
Chicago Burlington & Quincy	5,709,109	Louisiana & Arkansas	651,662
Louisville & Nashville	5,437,679	New Orleans & Northeastern	552,841
Chicago Rock Island & Pacific	5,237,777	Chicago St. P. Minn. & Omaha	458,964
Illinois Central	5,202,106	Chicago Great Western	449,512
Seaboard Air Line	4,952,228	Grand Trunk Western	398,696
Great Northern	4,747,468	Wheeling & Lake Erie	366,197
New York New Haven & Hart.	4,524,508	Minneapolis & St. Louis	320,060
Chicago Milw. St. Paul & Pac.	4,372,362	Spokane Portland & Seattle	313,597
Northern Pacific	3,822,840	Maine Central	285,486
Missouri-Kansas-Texas	3,469,141	Georgia	252,009
St. Louis-San Fran. (2 roads)	3,145,706	Georgia Southern & Florida	241,477
Chicago & North Western	3,016,183	Northwestern Pacific	235,574
Chesapeake & Ohio	3,015,365	Western Ry. of Alabama	205,179
New York Chicago & St. Louis	2,986,615	Bangor & Aroostook	202,824
St. Louis Southwestern	2,788,314	Atlanta Birmingham & Coast	200,028
Norfolk & Western	2,429,355	Toledo Peoria & Western	195,402
Denver & Rio Grande Western	2,363,903	Atlanta & West Point	191,505
Lehigh Valley	2,120,093	Pittsburgh & Lake Erie	189,324
Texas & Pacific	2,160,887	Penn. Reading Sea Shore Lines	175,394
Erie	2,107,881	Pittsburgh & West Virginia	140,639
Reading	2,074,969	Kansas Oklahoma & Gulf	140,534
Wabash	2,037,347	Spokane International	132,252
Yazoo & Mississippi Valley	1,591,724	Illinois Terminal	131,076
Western Pacific	1,578,643	New York Susq. & Western	116,885
Kansas City Southern	1,522,304	Elgin Joliet & Eastern	115,069
Florida East Coast	1,467,475	Gulf & Ship Island	115,023
Richmond Fred. & Potomac	1,436,673	Staten Island Rapid Transit	107,646
Nashville Chat. & St. Louis	1,426,961		
Boston & Maine	1,372,130	Total (86 roads)	$223,171,885
Pere Marquette	1,280,504		Decrease
Central of New Jersey	1,230,114		
Alton	1,136,852	Virginian	$540,223
Cincin. New Orl. & Tex. Pac.	1,001,777	Duluth Missabe & Iron Range	206,716
Gulf Mobile & Ohio	947,516	Canadian Nat. Lines in N. E.	146,155
Minn. St. P. & S. S. M.	938,705	Bessemer & Lake Erie	120,769
New Orl. Tex. & Mex. (3 rds.)	901,625	Total (4 roads)	$1,013,863

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $13,439,482.

PRINCIPAL CHANGES IN NET EARNINGS FOR THE MONTH OF DECEMBER

	Increase		Increase
Delaware Lack. & Western	$818,554	Pere Marquette	663,538
Southern Pacific (2 roads)	$18,376,600	Western Maryland	499,649
Atchison Topeka & Santa Fe	11,455,300	Chicago & East Illinois	467,131
New York Central	*11,147,475	Central of Georgia	453,592
Union Pacific	10,859,931	New Orl. Tex. & Pac. (3 rds.)	446,246
Pennsylvania	8,953,517	Alabama Great Southern	429,049
Southern	5,649,090	Wheeling & Lake Erie	393,974
Atlantic Coast Line	5,003,349	Maine Central	376,579
Missouri Pacific	4,344,225	New Orleans & Northeast	363,905
Chicago Burlington & Quincy	4,012,373	Yazoo & Mississippi Valley	360,073
Louisville & Nashville	3,682,365	Delaware & Hudson	349,362
Baltimore & Ohio	3,605,254	Minneapolis & St. Louis	294,505
Great Northern	3,536,544	Colorado & Southern (2 roads)	285,758
Chicago Milw. St. P. & Pac.	3,519,461	Chicago Great Western	284,026
New York New Haven & Hart.	3,393,572	Chicago St. P. Minn & Omaha	278,979
St. Louis-San Fran. (2 roads)	2,881,251	Georgia	266,251
Northern Pacific	2,746,559	Northwestern Pacific	237,141
Chicago Rock Island & Pac.	2,690,151	Georgia Southern & Florida	224,767
Chicago & North Western	2,580,080	Florida East Coast	210,628
St. Louis Southwestern	2,455,406	Western Ry. of Alabama	191,886
Seaboard Air Line	2,276,437	Spokane Portland & Seattle	185,414
New York Chicago & St. Louis	2,120,223	Atlanta & West Point	181,338
Chesapeake & Ohio	2,044,167	Bangor & Aroostook	162,931
Erie	1,952,448	Toledo Peoria & Western	157,730
Denver & Rio Grande Western	1,486,034	Penn Reading Sea Shore Lines	128,987
Texas & Pacific	1,420,557	Grand Trunk Western	116,953
Reading	1,405,056	Pittsburgh & West Virginia	114,220
Wabash	1,391,362	Kansas Oklahoma & Gulf	111,197
Richmond Fred. & Potomac	1,136,553	Illinois Terminal	108,679
Minn. St. Paul & S. S. M.	1,213,014		
Lehigh Valley	1,201,756	Total (75 roads)	$146,232,008
Missouri-Kansas-Texas	1,134,987		Decrease
Boston & Maine	1,084,542	Bessemer & Lake Erie	$911,834
Norfolk & Western	1,021,823	Illinois Central	892,345
Nashville Chat. & St. Louis	976,580	Louisiana & Arkansas	844,074
Cincin. New Orl. & Tex. Pac.	837,518	Virginian	553,766
Western Pacific	809,053	Duluth Missabe & Iron Range	513,341
Gulf Mobile & Ohio	735,131	Atlanta Birmingham & Coast	169,842
International Great Northern	720,414	Kansas City Southern	151,407
Central of New Jersey	710,868		
Alton	691,900	Total (7 roads)	$4,036,609

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $11,144,102.

In order to indicate more clearly which sections of the country have been most active, we now turn to our break-down of the nation as a whole. Arranging the roads in groups of geographical divisions, according to their location, the generally favorable results recorded during the month under review are very clearly manifested. Every District into which the country is divided reported increases over a year earlier, in both categories. The Western District, in conformity with previous showing, led both the gross and net categories with percentage gains of 63.02% and 167.81%, respectively. The Southern and Eastern Districts headed the gross earnings column with increases of 48.29% and 31.27% respectively, but in the net Eastern exceeded the Southern District.

After a brief perusal of the totals compiled for the small subdivisions, we notice that the Southwestern region led the gross classification with a gain of 72.80%, while the Central Western region, which was second in gross, recorded the greatest increase, one of 191.65%, in the net listing. The Southwestern captured second place in the latter classification indicating an increase of 146.14%. Percentage gains of the other roads in both gross and net ranged from 24.47% to 135.97%.

Without further comment, we now make reference to our summary grouping which follows and which coincides with the classification prescribed by the Interstate Commerce Commission. The territories covered by the various divisions, districts and regions are explained in the footnote which is subjoined to the following table:

SUMMARY BY GROUPS—MONTH OF DECEMBER

District and Region	Gross Earnings 1942 $	Gross Earnings 1941 $	Inc. (+) or Dec. (—) $	Inc. (+) or Dec. (—) %
Eastern District—				
New England region (10 roads)	25,234,381	18,999,181	+ 6,235,200	+32.82
Great Lakes region (23 roads)	112,990,918	86,500,410	+ 26,490,508	+30.62
Central Eastern region (18 roads)	131,532,870	100,003,835	+ 31,529,035	+31.53
Total (51 roads)	269,758,169	205,503,426	+ 64,254,743	+31.27
Southern District—				
Southern region (26 roads)	104,221,087	66,118,501	+ 38,102,586	+57.63
Pocahontas region (4 roads)	32,257,643	25,916,473	+ 6,341,170	+24.47
Total (30 roads)	136,478,730	92,034,974	+ 44,443,756	+48.29
Western District—				
Northwestern region (15 roads)	68,374,921	49,843,704	+ 18,531,217	+37.18
Central Western region (16 roads)	162,306,609	93,952,844	+ 68,353,765	+72.75
Southwestern region (20 roads)	66,076,570	38,238,606	+ 27,837,964	+72.80
Total (51 roads)	296,758,100	182,035,154	+114,722,946	+63.02
Total all districts (132 roads)	702,994,999	479,573,554	+223,421,445	+46.59

District and Region	Mileage 1942	Mileage 1941	Net Earnings 1942 $	Net Earnings 1941 $	Incr. (+) or Dec. (—) $	Incr. (+) or Dec. (—) %
Eastern District—						
New England region	6,602	6,646	9,983,477	5,099,122	+ 4,884,355	+ 95.79
Great Lakes region	25,958	26,119	38,516,995	18,687,203	+ 19,829,792	+106.11
Central East. region	24,091	24,269	40,391,497	24,617,537	+ 15,773,960	+ 64.08
Total	56,651	57,034	88,891,969	48,403,862	+ 40,488,107	+ 83.65
Southern District—						
Southern region	37,470	37,836	41,865,984	20,024,867	+ 21,841,117	+109.07
Pocahontas region	6,025	6,076	15,622,468	11,973,691	+ 3,648,777	+ 30.47
Total	43,495	43,912	57,488,452	31,998,558	+ 25,489,894	+ 79.66
Western District—						
Northwestern region	45,478	45,619	24,852,133	10,531,883	+ 14,320,250	+135.97
Central West. region	55,368	56,199	71,536,289	24,527,723	+ 47,008,566	+191.65
Southwestern region	28,809	29,047	28,355,067	11,519,832	+ 16,835,235	+146.14
Total	129,655	130,865	124,743,489	46,579,438	+ 78,164,051	+167.81
Total all districts	229,800	231,811	271,123,910	126,981,858	+144,142,052	+113.51

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

The Western grain movement for December of 1942 was somewhat more moderate than that of the corresponding period of 1941.

With respect to the individual grains, flour arrivals recorded an increase of 207,000 barrels over 1941's aggregate of 1,698,000 barrels. Corn receipts increased 9,183,000 bushels to 34,585,000 bushels, and this advance combined with a gain of 4,559,000 bushels in wheat receipts more than offset minor downward trends in oats and rye and a somewhat more serious decrease of 2,017,000 bushels in barley receipts.

In our usual form, we now present a detailed statement of the grain traffic over the Western roads for the four weeks ended Dec. 26, 1942, as compared with the corresponding period ended Dec. 27, 1941.

WESTERN FLOUR AND GRAIN RECEIPTS

Four Weeks Ended Dec. 26

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	921	1,469	10,340	1,063	296	1,741
	1941	862	1,837	7,727	1,241	741	1,289
Minneapolis	1942	32	8,901	2,159	1,836	648	4,189
	1941	----	9,093	1,902	3,804	872	5,181
Duluth	1942	----	3,929	372	485	96	415
	1941	----	3,880	2,379	129	392	1,164
Milwaukee	1942	44	8	727	4	10	2,870
	1941	75	2	997	8	479	3,810
Toledo	1942	62	763	1,271	1,244	----	39
	1941	----	365	702	361	----	3
Indianapolis & Omaha	1942	----	1,561	6,211	911	----	----
	1941	----	984	4,027	672	32	----
St. Louis	1942	559	2,185	3,428	370	15	181
	1941	553	606	1,423	291	56	192
Peoria	1942	187	662	3,672	94	16	274
	1941	154	83	2,965	134	56	265
Kansas City	1942	100	4,579	3,623	420	----	----
	1941	54	3,555	2,185	258	----	----
St. Joseph	1942	----	585	739	166	----	----
	1941	----	230	368	259	----	----
Wichita	1942	----	1,574	----	----	----	----
	1941	----	1,044	----	----	----	----
Sioux City	1942	----	107	2,043	162	47	296
	1941	----	85	727	97	15	118
Total all	1942	1,905	26,323	34,585	6,755	1,128	10,005
	1941	1,698	21,764	25,402	7,254	2,643	12,022

In conclusion, we now furnish, in the following table, a summary of the gross and net earnings of the railroads of the country for the present year in comparison with each year back to 1909 inclusive:

Month of December	Gross Earnings Year Given	Gross Earnings Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Mileage Year Preced'g
1909	$217,724,459	$203,799,142	+$13,925,317	+ 6.83	229,369	225,666
1910	229,379,163	214,311,201	+ 15,067,962	+ 7.03	228,687	225,177
1911	233,614,912	232,275,177	+ 1,339,735	+ 0.57	238,561	235,682
1912	263,768,603	234,087,361	+ 29,681,242	+12.68	238,072	234,146
1913	254,218,891	266,224,678	— 12,005,787	— 4.51	243,322	241,180
1914	232,598,369	258,285,270	— 25,686,901	— 9.94	246,807	243,242
1915	295,202,018	232,763,070	+ 62,438,948	+26.82	248,437	247,673
1916	262,171,169	242,064,235	+ 20,106,934	+ 8.31	216,811	215,669
1917	343,875,052	317,836,386	+ 26,038,666	+ 8.19	247,988	247,271
1918	438,365,327	335,607,571	+102,757,756	+30.62	232,774	232,399
1919	451,991,330	440,481,121	+ 11,510,209	+ 2.61	233,899	233,814
1920	539,197,615	443,124,176	+ 96,073,439	+21.67	229,422	228,134
1921	406,864,055	527,480,047	—120,615,992	—22.87	225,619	224,784
1922	512,433,733	424,698,143	+ 87,735,590	+20.66	235,920	236,121
1923	493,099,550	512,312,354	— 19,212,804	— 3.75	235,379	235,555
1924	504,818,559	493,509,641	+ 11,308,918	+ 2.29	236,196	235,875
1925	523,041,764	504,450,580	+ 18,591,184	+ 3.69	236,957	236,057
1926	525,411,572	522,467,600	+ 2,943,972	+ 0.56	236,982	237,373
1927	466,526,003	525,820,708	— 59,294,705	—11.28	238,552	237,711
1928	495,574,485	468,395,541	+ 27,178,944	+ 5.80	240,337	239,286
1929	468,182,822	495,950,821	— 27,767,999	— 5.60	241,864	240,773
1930	377,473,702	468,694,537	— 91,220,835	—19.46	242,677	242,592
1931	288,239,790	377,499,123	— 89,259,333	—23.65	242,639	242,319
1932	245,751,231	288,205,766	— 42,454,535	—14.73	241,806	241,950
1933	248,057,612	245,760,336	+ 2,297,276	+ 0.93	240,338	240,950
1934	257,199,427	245,092,327	+ 12,107,100	+ 4.94	238,570	239,833
1935	295,880,873	257,201,455	+ 38,679,418	+15.04	237,074	238,436
1936	371,673,127	295,805,392	+ 75,867,735	+25.65	236,191	237,288
1937	299,827,815	371,494,494	— 71,666,679	—19.29	235,052	235,431
1938	317,795,866	299,827,816	+ 17,968,050	+ 5.99	233,889	235,051
1939	344,530,498	317,740,628	+ 26,789,870	+ 8.43	233,169	233,843
1940	381,011,167	344,463,789	+ 36,547,378	+10.61	232,439	233,162
1941	479,573,554	381,156,620	+ 98,416,934	+25.82	231,911	232,492
1942	702,994,999	479,573,554	+223,421,445	+46.59	232,874	240,836

Month of December	Net Earnings Year Given	Net Earnings Year Preceding	Increase (+) or Decrease (—)	%
1909	$67,014,765	$68,317,388	— $1,302,263	— 1.91
1910	68,276,448	66,101,371	+ 2,175,077	+ 3.29
1911	61,225,377	56,776,970	+ 4,448,407	+ 7.83
1912	81,701,974	72,932,360	+ 8,769,614	+12.02
1913	68,800,026	82,622,271	— 13,822,245	—16.73
1914	61,134,750	68,274,222	— 7,139,472	—10.46
1915	105,878,758	61,186,558	+ 44,692,200	+73.04
1916	83,237,395	86,302,108	— 3,064,713	— 3.55
1917	85,715,727	103,520,028	— 17,804,301	—17.20
1918	44,738,149	85,767,019	— 41,028,870	—47.84
1919	38,536,432	44,919,752	— 6,383,320	—14.21
1920	51,322,679	37,517,854	+ 13,804,825	+36.80
1921	67,849,188	44,250,090	+ 23,599,098	+53.33
1922	111,942,758	76,738,092	+ 35,204,666	+45.88
1923	106,248,158	108,687,310	— 2,439,152	— 2.24
1924	124,480,894	106,482,164	+ 17,998,730	+16.90
1925	134,445,634	124,090,958	+ 10,354,676	+ 8.34
1926	119,237,349	134,504,698	— 15,267,349	—11.35
1927	90,351,147	118,520,165	— 28,169,018	—23.77
1928	138,293,445	89,849,024	+ 48,444,421	+53.92
1929	106,315,167	138,501,238	— 32,186,071	—23.24
1930	80,419,419	105,987,347	— 25,567,928	—24.12
1931	*47,141,248	79,982,841	— 32,841,593	—41.06
1932	57,854,695	*53,482,600	+ 4,372,095	+ 8.17
1933	59,129,403	57,861,144	+ 1,268,259	+ 2.19
1934	62,187,963	58,350,192	+ 3,837,771	+ 6.58
1935	70,445,503	62,786,896	+ 7,658,607	+12.20
1936	114,829,753	70,293,610	+ 44,536,143	+63.36
1937	57,116,581	114,883,828	— 57,767,247	—50.28
1938	85,602,788	57,115,973	+ 28,486,815	+49.88
1939	96,209,582	85,631,949	+ 10,577,633	+12.35
1940	115,841,994	96,149,168	+ 19,692,826	+20.48
1941	127,039,075	115,972,813	+ 11,066,262	+ 9.54
1942	271,123,910	126,981,858	+144,142,052	+113.51

*The Chicaggo & Alton in its return for 1931 included in expenses $6,453,714 for dismantled equipment. In its return for 1932, in giving comparative figures for 1931, this item has been omitted from the expenses of the latter year. This will explain the wide difference in the 1931 total in the respective comparisons.

Ordinary Life Insurance In Force Increased $2,158 Million In 1942

Ordinary life insurance in force in the United States increased $2,158,000,000 during the year of 1942, to a total of $72,505,000,000, or at the rate of 3.1%, according to figures released Feb. 18, by the Life Insurance Sales Research Bureau of Hartford, Conn. This is the experience of 82 companies having 85% of the total Ordinary in force, exclusive of Group and Weekly Premium.

The record of these 82 companies for the past five years has been:

	Ins. in Force End of Year	New Business	Terminations	Net Gain	% of Gain
1938	$64,785,000,000	$5,359,000,000	$4,366,000,000	$993,000,000	1.6%
1939	66,064,000,000	5,277,000,000	3,998,000,000	1,279,000,000	2.0
1940	67,719,000,000	5,399,000,000	3,744,000,000	1,655,000,000	2.5
1941	70,347,000,000	6,037,000,000	3,409,000,000	2,628,000,000	3.9
1942	72,505,000,000	5,256,000,000	3,098,000,000	2,158,000,000	3.1

In commenting on these figures, the Research Bureau says:

"These results are most encouraging and hopeful. The volume of terminations for 1942 was lower than for any year since 1924, while the rate of termination (4.4%) for 1942 was the lowest since 1900 and very probably the lowest in the history of American life insurance.

"While policyholders of ordinary insurance have made a greater effort, perhaps than ever before, to retain their present policies, they also bought less—for new sales in 1942 were 13% under the sales for 1941. In view of the economic and financial dislocations caused by our first year in the war, including the loss of many agents to the armed services and to war industries, some such decrease in sales was to be expected. In view of the healthy and satisfactory trend of terminations, and the extension of public service represented by this additional two billion dollars of coverage, the decrease in sales for the year is not significant."

Regarding sales in January, the Bureau released the following statistics:

JANUARY, 1943

	Sales Volume	Ratios 1943-'42 All Cos.
U. S. TOTAL	$485,782,000	48%
New England	39,396,000	47
Middle Atlantic	137,295,000	44
E. N. Central	108,316,000	48
W. N. Central	46,684,000	52
South Atlantic	43,661,000	47
E. S. Central	18,131,000	46
W. S. Central	34,133,000	50
Mountain	12,798,000	58
Pacific	45,368,000	55

WPB Defers Second Cut In Newsprint Use

A proposed second cut of not more than 10% in newspapers' use of print paper, which had been scheduled to take effect April 1, has been deferred temporarily by the War Production Board on the basis of new information on Canadian pulp supplies.

This decision was announced in Washington on Feb. 20 at a meeting of the Newspaper Industry Advisory Committee with William G. Chandler, Director of the Printing and Publishing Division of WPB, and Donald J. Sterling, consultant for WPB on the newspaper and publishing industry.

It is announced that the change in plans resulted from a visit of Ralph R. Weldon, Canadian Newsprint Administrator, who brought news of an increased volume of pulpwood supply from Canada, source of 75% of the paper on which United States newspapers are printed.

Publishers were urged by the Advisory Committee to continue "prudence and strict economy" in the use of newsprint and were told by the WPB officials that only by such economy could there be hope of postponing curtailments in the future.

Plans for the second cut in newsprint were referred to in these columns Feb. 25, page 759.

The first newsprint cut of approximately 10% became effective in January; referred to in our Jan. 14 issue, page 198.

With respect to the Government's handling of the paper situation, a group of Representatives recently called for an inquiry into the motives in curtailing the use of paper by newspapers, magazines and other publications.

A resolution calling for a Congressional investigation to find out if any agency or officer of the Government has plans to curtail the production of newsprint, or the dissemination of news, not necessitated by the "proper conduct of the war," was introduced in the House on Feb. 15 by Representative Bradley (Rep., Mich.).

The bill would give the House Interstate Commerce Committee, or a subcommittee of it, authority to investigate and determine "whether the War Production Board, the Office of Price Administration, the Office of Civilian Supply, the War Manpower Commission, the Forest Service of the Department of Agriculture, or any officer or agency is formulating or has formulated a plan curtailing production of newsprint used in publications admitted to second-class mailing privileges; or curtailing in any manner the dissemination of news through any such publication except occasioned by the necessary rules of censorship."

A previous item regarding the House inquiry into the paper situation appeared in these columns Feb. 11, page 580.

Head Russian War Relief Groups

Election of A. W. Hawkins, Vice President of the Lincoln National Bank of Syracuse, N. Y., as Chairman of the Syracuse Committee of Russian War Relief, Inc., was announced on Feb. 12 by Edward C. Carter, President of the agency.

Rupert C. Thompson, Jr., Vice President of the Providence (R. I.) National Bank, and Dr. Harry B. Freeman, Trust Officer of the same bank, are taking a leading part in organization of a new Rhode Island State Committee of Russian War Relief, authorized by the relief agency's national board of directors. Both are members of the committee; Mr. Thompson has been elected State Treasurer.

Trading On New York Exchanges

The Securities and Exchange Commission made public Feb. 26 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 13, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Feb. 13 (in round-lot transactions) totaled 1,688,815 shares, which amount was 14.18% of total transactions on the Exchange of 5,956,270 shares. This compares with member trading during the week ended Feb. 6 of 1,710,550 shares or 15.45% of total trading of 5,536,300 shares. On the New York Curb Exchange, member trading during the week ended Feb. 13 amounted to 267,065 shares, or 11.17% of the total volume of that Exchange of 1,195,065 shares; during the Feb. 6 week trading for the account of Curb members of 326,095 shares was 13.83% of total trading of 1,178,795 shares.

The Commission made available the following data for the week ended Feb. 13:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	945	658
1. Reports showing transactions as specialists	172	91
2. Reports showing other transactions initiated on the floor	184	32
3. Reports showing other transactions initiated off the floor	210	83
4. Reports showing no transactions	482	528

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED FEBRUARY 13, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	103,360	
‡Other sales	5,852,910	
Total sales	5,956,270	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	374,180	
Short sales	43,620	
‡Other sales	330,440	
Total sales	374,060	6.28
2. Other transactions initiated on the floor—		
Total purchases	335,320	
Short sales	16,100	
‡Other sales	277,370	
Total sales	293,470	5.28
3. Other transactions initiated off the floor—		
Total purchases	168,805	
Short sales	20,020	
‡Other sales	122,960	
Total sales	142,980	2.62
4. Total—		
Total purchases	878,305	
Short sales	79,740	
‡Other sales	730,770	
Total sales	810,510	14.18

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED FEBRUARY 13, 1943

	Total for week	†Per cent
A. Total Round-Lot Sales:		
Short sales	4,360	
‡Other sales	1,190,705	
Total sales	1,195,065	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	78,000	
Short sales	2,295	
‡Other sales	84,070	
Total sales	86,365	6.88
2. Other transactions initiated on the floor—		
Total purchases	23,885	
Short sales	600	
‡Other sales	23,600	
Total sales	24,200	2.01
3. Other transactions initiated off the floor—		
Total purchases	21,075	
Short sales	100	
‡Other sales	33,440	
Total sales	33,540	2.28
4. Total—		
Total purchases	122,960	
Short sales	2,995	
‡Other sales	141,110	
Total sales	144,105	11.17
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	31,192	
Total purchases	31,192	
Total sales	22,402	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Wholesale Commodity Index Advanced 0.3% During Week Ended Feb. 20, Says Labor Bureau

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Feb. 25 that further sharp advances in prices for agricultural commodities, particularly grains, livestock, eggs and vegetables, brought the Bureau's comprehensive index of prices in primary markets up 0.3% during the week ended Feb. 20. At 102.4% of the 1926 average the general level of prices is 0.7% higher than at this time last month and 6% above the February 21 level of a year ago.

The Bureau's announcement further said:

"**Farm Products and Foods**—Following the recession of the preceding week, a marked increase occurred in the grain markets. Rye advanced 5.6%; oats, 4.7%; No. 2 corn, 3.5%; and wheat, 1.6%. Substantial gains were also reported in prices for livestock, ranging from about 0.7% for hogs to 3.4% for cows. Eggs were considerably higher in most markets during the week. In addition, prices went up for seeds, peanuts, tobacco, and potatoes. Citrus fruits declined seasonally. Average prices for farm products rose 1.2% during the week and are 2.4% higher than at this time last month.

"A small increase, 0.2%, was reported in average prices for foods in primary markets. Advancing prices for eggs, together with higher prices for the cereals—rye flour, oatmeal, and corn meal, and for fresh vegetables, and olive oil accounted for the rise. Quotations were lower for butter in most markets. In the past month prices for foods at wholesale have increased 1%.

"Wholesale prices for cattle feed were up 1.8% during the week as a result of higher prices for bran and middlings.

"**Industrial Commodities**—There were few changes in prices for industrial commodities and those were for the most part upward. Higher labor and transportation costs were still being reflected in prices for coal. Fuel oil in the Pennsylvania region declined nearly 2%.

"Prices for linseed oil rose over 4% and turpentine was slightly higher. Rosin, on the contrary, continued to decline.

"An upward revision in ceiling prices for mixed fertilizers in certain areas brought the index for chemicals and allied products up 0.3%. Market prices for boxboard, which have been below the ceiling, have now reached ceiling levels for many grades."

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Jan. 23, 1943 and Feb. 21, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

						Percentage changes to Feb. 20, 1943 from		
Commodity Groups—	2-20 1943	2-13 1943	2-6 1943	1-23 1943	2-21 1942	2-13 1943	1-23 1943	2-21 1942
All commodities	*102.4	*102.1	*102.0	*101.7	96.5	+0.3	+0.7	+ 6.1
Farm products	120.0	118.6	118.2	117.2	101.9	+1.2	+2.4	+17.8
Foods	105.7	105.5	105.1	104.7	94.8	+0.2	+1.0	+11.5
Hides and leather products	118.4	118.4	118.4	118.4	116.1	0	0	+ 2.0
Textile products	96.8	96.8	96.8	96.8	93.7	0	0	+ 3.3
Fuel and lighting materials	80.5	80.4	80.4	80.1	78.5	+0.1	+0.5	+ 2.5
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.6	0	0	+ 0.3
Building materials	110.0	110.1	110.1	110.0	109.7	—0.1	0	+ 0.3
Chemicals and allied products	100.3	100.0	99.5	99.5	96.9	+0.3	+0.8	+ 3.5
Housefurnishing goods	104.1	104.1	104.1	104.1	104.1	0	0	0
Miscellaneous commodities	90.7	90.6	90.5	90.5	89.1	+0.1	+0.2	+ 1.8
Raw materials	109.8	108.9	108.6	108.0	97.2	+0.8	+1.7	+13.0
Semimanufactured articles	92.8	92.7	92.5	92.5	91.9	+0.1	+0.3	+ 1.0
Manufactured products	*100.5	*100.5	*100.4	*100.3	97.1	0	+0.2	+ 3.5
All commodities other than farm products	*98.6	*98.6	*98.5	*98.4	95.3	0	+0.2	+ 3.5
All commodities other than farm products and foods	*96.4	*96.4	*96.4	*96.3	94.8	0	+0.1	+ 1.7

*Preliminary.

Civil Engineering Construction $54,646,000 For Holiday-Shortened Week

Civil engineering construction volume for the short week due to the Washington's Birthday holiday totals $54,646,000. This volume is 80% below the total for the corresponding week in 1942, and compares with $98,861,000 reported for a week ago by "Engineering News-Record" on Feb. 25. Private work tops a year ago by 17%, but public construction is 84% lower as both State and municipal volume and Federal work declined. The report went on to say:

The current week's construction brings 1943 volume to $533,068,000, an average of $66,634,000 for each of the eight weeks of the year. On the weekly average basis, this year's total is 53% below the $1,263,603,000 for the nine weeks of last year. Private construction, $52,059,000, is 51% lower than in 1942, and public work, $481,009,000, is down 53%, when adjusted for the difference in the number of weeks reported.

Construction volumes for the 1942 week, last week and the current week are:

	Feb. 26, 1942 (four days)	Feb. 18, 1943 (five days)	Feb. 25, 1943 (four days)
Total Construction	$266,622,000	$98,861,000	$54,646,000
Private Construction	13,004,000	5,386,000	15,203,000
Public Construction	253,618,000	93,475,000	39,443,000
State and Municipal	5,475,000	1,674,000	544,000
Federal	248,143,000	91,801,000	38,899,000

In the classified construction groups, gains over the preceding week are in waterworks, bridges, and industrial buildings. Industrial building is the only class of work to record an increase over the corresponding 1942 week. Subtotals for the week in each class of construction are: waterworks, $494,000; sewerage, $100,000; bridges, $535,000; industrial buildings, $13,180,000; commercial building and large-scale private housing, $1,943,000; public buildings, $20,938,000; earthwork and drainage, $55,000; streets and roads, $622,000, and unclassified construction, $16,779,000.

New capital for construction purposes for the week totals $872,000, and is made up entirely of State and municipal bond sales. New financing for the eight-week 1943 period, $15,539,000, compares with $1,372,463,000 reported for the nine weeks of 1942.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 26 a summary for the week ended Feb. 20 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended Feb. 20, 1943

	Total for Week
Odd-Lot Sales by Dealers: (Customers' Purchases)	
Number of Orders	21,480
Number of Shares	606,994
Dollar Value	19,488,553
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	151
*Customers' other sales	19,384
Customers' total sales	19,535
Number of Shares:	
Customers' short sales	5,015
*Customers' other sales	531,843
Customers' total sales	536,858
Dollar Value	15,412,842
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	260
†Other sales	116,110
Total sales	116,370
Total sales	116,370
Round-Lot Purchases by Dealers—	
Number of Shares	189,740

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Chief Examiner At Detroit Reserve Branch

The appointment of A. L. Wilson as chief examiner at the Detroit Branch of the Federal Reserve Bank of Chicago was announced on Feb. 25 by C. S. Young, President of the Bank. Mr. Wilson will be in charge of the examination work throughout the lower peninsula of Michigan and will have offices at the Detroit Branch of the Federal Reserve Bank. He took over his new duties on March 1. The appointment of a resident examiner at Detroit, the bank says, is in line with the announced policy to build up the staff at Detroit in recognition of the important place which Michigan is taking in the banking activity of the Seventh Federal Reserve District. Regarding his activities the Reserve Bank says:

"Mr. Wilson started his banking career at Scottville, Mich., working his way up to Assistant Cashier. He left the bank in 1921 to take a position as assistant bank examiner for the State of Michigan. Later he was promoted to examiner and continued in that capacity until 1927, when he became an examiner for the Federal Reserve Bank of Chicago and had charge of their examinations of member banks in the State of Michigan. Later he was given the title of Acting Assistant Federal Reserve Agent.

"In recognition of his ability as a bank operating officer, he was selected to make surveys for the Comptroller of the Currency, and later was sent to Warsaw, Poland, to reorganize a large bank in that city. Upon his return to the United States he again became connected with the Federal Reserve Bank of Chicago and assisted in reorganization of banks in the State of Michigan, following the 'bank holiday.' He was loaned to the Federal Reserve Board in Washington in 1933 and 1934. Since that time he has been a senior examiner in the Seventh Federal Reserve District, devoting most of his time to banks in Michigan."

Revenue Freight Car Loadings During Week Ended Feb. 20, 1943 Amounted To 752,449 Cars

Loading of revenue freight for the week ended Feb. 20, 1943 totaled 752,449 cars, the Association of American Railroads announced on Feb. 26. This was a decrease below the corresponding week of 1942, of 21,971 cars or 2.8%, but an increase above the same week in 1941, of 73,926 cars or 10.9%.

Loading of revenue freight for the week of Feb. 20, decreased 12,501 cars or 1.6% below the preceding week.

Miscellaneous freight loading totaled 356,964 cars a decrease of 6,364 cars below the preceding week, but an increase of 9,676 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 90,308 cars, a decrease of 3,763 cars below the preceding week and a decrease of 59,704 cars below the corresponding week in 1942.

Coal loading amounted to 173,848 cars, a decrease of 4,599 cars below the preceding week, but an increase of 15,169 cars above the corresponding week in 1942.

Grain and grain products loading totaled 51,625 cars, an increase of 3,361 cars above the preceding week, and an increase of 15,538 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Feb. 20 totaled 36,068 cars, an increase of 3,181 cars above the preceding week and an increase of 12,898 cars above the corresponding week in 1942.

Live stock loading amounted to 13,150 cars, an increase of 679 cars above the preceding week, and increase of 3,210 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of Feb. 20, totaled 9,715 cars, an increase of 882 cars above the preceding week, and an increase of 2,445 cars above the corresponding week in 1942.

Forest products loading totaled 41,160 cars, an increase of 2,917 cars above the preceding week but a decrease of 3,732 cars below the corresponding week in 1942.

Ore loading amounted to 11,102 cars, a decrease of 2,923 cars below the preceding week and a decrease of 1,930 cars below the corresponding week in 1942.

Coke loading amounted to 14,292 cars, a decrease of 1,309 cars below the preceding week, and a decrease of 198 cars below the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocahontas Southern, Central Western, and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Eastern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
Week of Feb. 6	755,386	783,962	710,196
Week of Feb. 13	764,950	782,701	721,176
Week of Feb. 20	752,449	774,420	678,523
Total	5,803,634	6,199,562	5,564,304

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 20, 1943. During this period only 51 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED FEB. 20

Railroads	Total Revenue Freight Loaded 1943	Total Revenue Freight Loaded 1942	Total Revenue Freight Loaded 1941	Total Loads Received from Connections 1943	Total Loads Received from Connections 1942
Eastern District—					
Ann Arbor	258	611	463	1,380	1,510
Bangor & Aroostock	2,336	2,135	1,788	110	225
Boston & Maine	5,178	8,488	7,537	12,605	14,251
Chicago, Indianapolis & Louisville	1,297	1,373	1,327	2,024	2,280
Central Indiana	45	24	9	52	51
Central Vermont	796	1,384	1,112	1,467	2,177
Delaware & Hudson	5,749	6,491	5,063	10,395	11,393
Delaware, Lackawanna & Western	7,190	8,947	8,000	10,819	9,059
Detroit & Mackinac	202	290	237	116	159
Detroit, Toledo & Ironton	1,911	2,088	3,036	2,632	1,820
Detroit & Toledo Shore Line	269	328	384	3,538	3,705
Erie	11,276	13,989	12,337	18,812	15,843
Grand Trunk Western	3,554	4,610	5,962	8,343	8,569
Lehigh & Hudson River	150	179	160	3,048	3,936
Lehigh & New England	1,602	1,740	1,244	1,607	1,836
Lehigh Valley	7,065	9,263	8,331	12,561	9,486
Maine Central	2,291	3,463	3,463	3,605	3,914
Monongahela	6,274	6,096	5,005	364	449
Montour	2,521	1,830	2,035	24	25
New York Central Lines	42,555	45,228	43,160	56,077	50,852
N. Y., N. H. & Hartford	8,257	12,591	10,136	16,242	17,407
New York, Ontario & Western	789	1,050	1,036	2,231	2,372
New York, Chicago & St. Louis	6,757	6,897	4,907	15,618	14,441
N. Y., Susquehanna & Western	451	539	441	1,923	1,467
Pittsburgh & Lake Erie	7,284	8,210	7,551	6,988	6,940
Pere Marquette	4,479	4,780	5,852	7,711	6,234
Pittsburg & Shawmut	633	557	508	13	30
Pittsburg, Shawmut & North	320	368	422	243	272
Pittsburgh & West Virginia	856	691	920	4,002	2,001
Rutland	288	520	537	620	1,032
Wabash	5,775	5,773	5,414	12,890	10,479
Wheeling & Lake Erie	4,646	4,563	4,257	6,128	3,967
Total	143,054	165,006	152,634	224,188	208,233
Allegheny District—					
Akron, Canton & Youngstown	665	623	532	1,185	1,027
Baltimore & Ohio	36,381	40,014	32,250	26,912	22,893
Bessemer & Lake Erie	2,248	3,190	3,063	1,599	1,635
Buffalo Creek & Gauley	226	340	292	5	2
Cambria & Indiana	1,905	1,923	1,792	7	11
Central R. R. of New Jersey	5,901	7,885	6,249	19,299	16,622
Cornwall	364	628	590	75	60
Cumberland & Pennsylvania	228	303	310	12	14
Ligonier Valley	110	125	156	45	38
Long Island	860	838	552	3,402	3,431
Penn-Reading Seashore Lines	1,495	1,798	1,212	2,380	2,085
Pennsylvania System	69,740	76,837	67,238	58,941	58,732
Reading Co.	12,737	15,937	14,605	28,319	26,105
Union (Pittsburgh)	19,971	20,260	19,545	3,713	3,655
Western Maryland	3,751	3,892	3,565	13,835	10,900
Total	156,582	174,593	151,951	159,729	147,210
Pocahontas District—					
Chesapeake & Ohio	28,182	23,568	23,030	10,848	9,485
Norfolk & Western	22,000	21,485	22,319	7,874	6,211
Virginian	4,477	3,825	4,640	2,121	2,098
Total	54,659	48,878	49,989	20,843	17,794
Southern District—					
Alabama, Tennessee & Northern	*333	343	292	*336	320
Atl. & W. P.—W. R. R. of Ala.	765	824	812	2,419	2,105
Atlanta, Birmingham & Coast	637	752	707	1,624	1,118
Atlantic Coast Line	14,694	12,193	11,311	11,114	7,850
Central of Georgia	4,196	4,357	4,387	4,519	3,749
Charleston & Western Carolina	468	395	437	1,623	1,676
Clinchfield	1,740	1,692	1,605	2,868	2,863
Columbus & Greenville	386	260	2,999	245	338
Durham & Southern	100	165	160	486	440
Florida East Coast	2,969	1,352	1,079	1,563	1,158
Gainesville Midland	40	37	36	111	111
Georgia	1,408	1,483	1,147	2,776	2,276
Georgia & Florida	377	384	326	511	633
Gulf, Mobile & Ohio	3,860	4,106	3,533	5,843	3,400
Illinois Central System	27,770	27,615	22,207	18,392	14,377
Louisville & Nashville	24,960	24,584	24,326	10,886	8,929
Macon, Dublin & Savannah	*167	164	203	*865	679
Mississippi Central	218	172	155	364	469
Nashville, Chattanooga & St. L.	3,180	3,174	2,949	4,860	3,467
Norfolk Southern	1,102	1,098	1,167	1,428	1,248
Piedmont Northern	357	505	417	1,078	1,452
Richmond, Fred. & Potomac	314	445	369	9,912	8,79
Seaboard Air Line	10,228	9,783	8,596	9,493	7,628
Southern System	21,731	24,090	23,719	23,351	21,452
Tennessee Central	457	630	469	844	802
Winston-Salem Southbound	106	138	156	1,009	84
Total	122,563	120,761	110,864	118,520	98.182
Northwestern District—					
Chicago & North Western	15,076	16,396	13,836	12,374	13,048
Chicago Great Western	2,526	2,745	2,212	3,065	3,007
Chicago, Milw., St. P. & Pac.	22.418	23.440	18.643	12,471	10.903
Chicago, St. Paul, Minn. & Omaha	3,616	4,289	3,685	3,542	3,73
Duluth, Missabe & Iron Range	1,326	1,228	880	288	41
Duluth, South Shore & Atlantic	475	790	505	496	51
Elgin, Joliet & Eastern	9,157	9,716	7,325	10,209	10,21
Ft. Dodge, Des Moines & South	435	529	318	115	13
Great Northern	10,618	11,122	7,539	4,958	4,218
Green Bay & Western	473	578	534	886	82
Lake Superior & Ishpeming	253	349	203	65	63
Minneapolis & St. Louis	2,149	2,161	1,403	2,089	2,35
Minn., St. Paul & S. S. M.	4,652	5,549	4,071	2,872	3,39
Northern Pacific	8,479	10,399	7,391	4,988	4,44
Spokane International	72	102	77	576	24
Spokane, Portland & Seattle	1,756	2,638	1,668	2,925	2,33
Total	83,481	92,331	70,290	61,919	59,85
Central Western District—					
Atch., Top. & Santa Fe System	21,659	20,877	17,031	11,496	8,25
Alton	2,833	3,237	2,861	4,476	3,08
Bingham & Garfield	484	422	504	98	7
Chicago, Burlington & Quincy	18,529	16,403	13,530	11,593	10,47
Chicago & Illinois Midland	3,173	3,111	2,331	1,016	72
Chicago, Rock Island & Pacific	12,508	11,798	9,691	14,055	11,231
Chicago & Eastern Illinois	2,466	2,879	2,906	6,126	2,99
Colorado & Southern	826	802	689	1,918	1,53
Denver & Rio Grande Western	4,319	3,270	2,450	5,571	4,23
Denver & Salt Lake	891	576	568	9	[illegible]
Fort Worth & Denver City	1,129	1,178	914	1,525	1,42
Illinois Terminal	1,583	2,067	1,790	1,654	1,63
Missouri-Illinois	809	1,228	629	471	83
Nevada Northern	1,806	1,916	1,835	126	14
North Western Pacific	1,023	891	610	737	46
Peoria & Pekin Union	27	13	15	0	[illegible]
Southern Pacific (Pacific)	27,454	27,266	21,373	13,135	9,094
Toledo, Peoria & Western	*268	271	378	*1,723	99
Union Pacific System	13,750	14,040	12,432	13,144	10,64
Utah	609	500	367	2	[illegible]
Western Pacific	2,070	1,703	1,209	2,742	2,731
Total	118,216	114,448	94,113	91,617	70,59
Southwestern District—					
Burlington-Rock Island	687	201	130	259	37
Gulf Coast Lines	6,518	4,213	4,056	2,662	2,404
International-Great Northern	2,871	2,098	1,674	3,684	2,52
Kansas, Oklahoma & Gulf	297	356	202	1,265	1,01
Kansas City Southern	5,450	3,588	2,406	2,897	2,62
Louisiana & Arkansas	3,510	2,506	2,181	2,562	2,43
Litchfield & Madison	309	373	339	1,185	1,161
Midland Valley	618	640	567	264	21
Missouri & Arkansas	171	202	92	599	50
Missouri-Kansas-Texas Lines	6,027	4,583	3,628	6,553	4,11
Missouri Pacific	16,967	16,243	13,217	19,149	14,15
Quanah Acme & Pacific	108	94	99	299	16
St. Louis-San Francisco	9,568	8,547	7,027	9,565	6,39
St. Louis Southwestern	3,069	3,253	2,490	6,277	4,86
Texas & New Orleans	13,054	7,542	7,278	5,477	4,95
Texas & Pacific	4,549	3,837	3,159	8,275	6,75
Wichita Falls & Southern	104	113	125	28	3
Weatherford M. W. & N. W.	17	14	12	95	14
Total	73,894	58,403	48,682	71,095	54,695

*Previous week's figures.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
1942—Week Ended—					
Dec 5	150,132	130,761	340,203	82	85
Dec. 12	151,085	137,856	350,011	84	85
Dec. 19	136,363	134,383	350,012	85	85
Dec. 26	118,063	113,600	352,854	72	84
1943—Week Ended—					
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86
Jan. 30	152,358	136,645	413,084	88	86
Feb. 6	169,417	140,836	439,304	89	87
Feb. 13	148,687	137,784	446,981	87	87
Feb. 20	141,435	142,932	445,982	91	88

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

From Washington

(Continued from first page)

precipiated by the statement of naive Chairman Sabath of the House Rules Committee. He was up talking to the President one day recently, probably about something as important as a rivers and harbors project. Later, he made it known that he had brought up the question of a fourth term with the President and had found him most disinterested in it.

If Mr. Sabath were really the Chairman of the House Rules Committee instead of simply being it in name, his understanding of the President's reaction might be important. But it's a safe bet that he is one of the last men in the world to whom the President would likely open up and tell what was really on his mind. There has not at any time since the third term was accomplished, been the slightest doubt that he would run for a fourth term unless not only the war but the peace had been definitely washed up by that time. The war may easily be over before the elections of 1944, but the New Dealers have plans for so prolonging the consummation of actual peace that there is very little likelihood of this problem being out of the way by then. The representatives of the nations, victor and vanquished, aren't just to sit down this time and sign agreements. There is to be a cooling off period and a lot of collateral things.

In the meantime, it is interesting as to just why the President's friends are representing things as they are. It is a fact that the title of Executive Vice-President in Charge of the Home Front is not an exaggerated one for Jimmy Brynes at all. There is plenty of evidence that the President has given him pretty broad authority over the home front. But we hadn't got the impression that he could issue orders right and left without the President's approval. Our impression was that in the President's councils he had moved up to a position alongside of Sammy Rosenman and Harry Hopkins and there have been some indications that even their joint recommendations did not forthwith prevail.

So this new representation of his job may have two purposes. One, that by completely divorcing Mr. Roosevelt from the home front, Jimmy will be better able to get along with Congress. His appointment in the first place was widely advertised as being because he could get along with Congress. Well, on that score, the Administration's fortunes with Congress have gone from bad to worse. It is doubtful too, whether they would be any better if Congress became convinced that he was really the "domestic President," because he has been surrounded in his small staff with just about as advanced thinkers as there are in town.

The second purpose may be, these Washington thinkers being the brilliants they are, that if we are sold on the idea that Mr. Roosevelt isn't going to monkey with domestic affairs any more, we might not object to letting him have a nominal fourth term with the understanding that he is just using this to be President of that United Nations thing that is being cooked up.

What gives this some substance is the bland statement of his friends that while there is probably room for controversy about his handling of domestic affairs, certainly no one will disagree that he is a brilliant military strategist and a brilliant world leader.

If he is to be given a fourth term on this basis, there should be no gainsaying the fact that the understanding that he was to serve solely abroad should be written itno law.

Items About Banks, Trust Companies

Swiss Bank Corporation New York Agency has received notice that at the 71st annual meeting held in Basle, Switzerland, attended by shareholders of Swiss Bank Corporation representing 145,692 shares, approval was given the 4% dividend, and the yearly accounts, including a balance of 3,475,180 Swiss francs to be brought forward were also approved. This compares with 3,255,965 Swiss francs for 1941. The following members were reelected to the Board for a period of six years: Dr. Max Staehelin, Fritz Baumgartner, Dr. Ernest Duebi, Maurice Golay, Ernest Homberger, Louis Vaucher and Charles Zahn-Sarasin. Prof. Dr. Charles J. Burckhardt of Geneva, was elected as a new member to the Board.

The meeting also confirmed the re-election of all the members of the Board of Control for a period of three years, namely, Edouard Aymonier, Paul Buchet, Henri Chessex - Kuersteiner, Wilhelm Christ-Legler, Fritz Hetzel, Max Scherrer, Dr. Hans Schuler and C. Steuer-Gutzwiller.

Frederick V. Goess, President of the Prudential Savings Bank, Brooklyn, N. Y., and receiver of the Harriman National Bank & Trust Co., announces that he is making payment of the final dividend of 3.04% to creditors of the defunct bank. All creditors who do not receive notice from him by May 15 are requested to communicate with the receiver's office, 100 Park Row, New York City.

Edward L. Fuller of Scranton, Pa., President of International Salt Co. of that city, has been made a Director of the Marine Midland Trust Co., of New York it was announced on March 2. Mr. Fuller, a graduate of Princeton in 1927 is also a Director of the Genesee & Wyoming RR.; Empire Limestone; First National Bank; Scranton Lackawanna Trust Co.; Scranton Life Insurance Co., and the Sprague Henwood Co. He was made President of the International Salt Co. in September, 1931.

Frank E. Andruss, Assistant Vice-Presdent of The Continental Bank & Trust Co. of New York, who had been in charge of the Madison Avenue branch of the bank until he was taken ill about a year ago, died on March 1 at his home in Bronxville, N. Y. Mr. Andruss, who had been associated with banks in New York for about 30 years, with the exception of two years he spent in the brokerage business, was well known in the financial district. He started with the old Atlantic National Bank in 1912, remaining there until it was taken over by the Bank of America of which he became a Vice-President. In 1929 he went with the private banking house of Knutze Brothers as a partner. Three years later he became associated with the New York Stock Exchange firm of Snecker & Heath. In 1934 he went to The Continental Bank & Trust Co. as an Assistant Vice President and was placed in charge of the branch at 345 Madison Avenue.

Walter C. Jones has been elected to his 40th term as Vice-President and Treasurer of the City Savings Bank, Middletown, Conn. Mr. Jones has held the bank post since the opening of the bank 40 years ago.

The Peoples-Pittsburgh Trust Co., of Pittsburgh, Pa., continuing its policy of informing employees as to management's plans and policies, has released, over the signatures of Louis H. Gethoefer, Chairman, and Gwilym A. Price, President, its third annual report to employees. Peoples-Pittsburgh was among the first banking institutions, it is stated, to publish such a report. Dedicated to the men and women employees now in the armed forces, the report stresses the manifold relationships of the bank and its personnel to the war effort. It is also stated that:

"More than one-fifth of the bank's male staff are already in uniform, and those remaining are strongly encouraged by the management to continue their participation in civilian activities. In the matter of war production loans, in which Peoples-Pittsburgh has been active, employees are urged to look behind the figures on the books and realize that banks are 'an essential factor in the production of the tools of victory."

"The first year of Peoples-Pittsburgh's profit-sharing plan resulted, the report states, in an average increase of 9% in monthly salaries of all employees receiving $250 or less. The bank has also installed job evaluation and merit rating plans as a basis for the determination of all salaries, promotions and transfers. Neither these procedures nor the profit-sharing plan served to restrict promotions or salary increases," the report says. "On the contrary, there has been enhanced opportunity for advancement as employees demonstrated fitness for greater responsibilities."

"The bank's pension plan was further liberalized during the year, with company contributions amounting to more than four times those of employees. A group insurance plan also is maintained."

The report covers in detail the bank's operations and their results during the year; included, it is announced, are facts as to the increase in deposits to an all-time high, the company's lending services to more than 26,000 corporations and individuals, the strengthening of the bank's financial structure, the expansion of its branch system, and the 100% activity of its employees in obtaining new business.

It is announced that at the request of the War Department and the United States Treasury Department, the Bank of America is establishing banking facilities at numerous U. S. Army posts and training centers in California. Such banking facilities at the posts and camps, it was stated, will not only provide a service of great convenience to Army officers for Army business, but also will be of considerable help to officers and enlisted men who have personal financial responsibilities to provide for. Banking facilities have already been put in operation at Camp Beal, McClelland Field, Mather Field, Camp Kohler and Camp Callan, and in preparation are similar facilities at Arlington Staging Area, Camp Cook, Stockton Ordnance Depot, Camp Stoneman, Camp McQuade, Camp San Luis Obispo, Fort Rosecranz, Camp Lockett and Fort Mason.

In addition, Bank of America has in operation fully equipped branch banks at Hamilton Field and Camp Roberts. The new military banking facilities will be operated by Bank of America on a non-profit basis.

Paul S. Dick, President of the United States National Bank at Portland, Oregon, announces the inauguration of longer banking hours at its Portland head office bank to relieve banking congestion resulting from the great influx of shipbuilders and other war workers in that area. Beginning March 1st, banking hours were fixed from 10 a.m. to 6 p.m. through the week from Monday to Friday, inclusive, and from 10 a.m. to 3 p.m. on Saturdays. It is announced that while the United States National Bank operates five complete units in Portland, the extended banking hours are to be put into effect at this time only at its central downtown bank.

Other extension of service announced by the bank is the establishment, under authorization by the United States Treasury Department, of banking agencies at two of the larger army posts in Oregon, namely: Fort Stevens, near the mouth of the Columbia River, and at Camp Adair, near Corvallis.

Cleveland Reserve On Eastern War Time; Time Zones Vary

The Federal Reserve Bank of Cleveland announced on Feb. 20 that until further notice its main office in Cleveland and its branch at Cincinnati, Ohio, will operate on Eastern War Time. A similar decision has been made by banks which are members of the Cleveland Clearing House Association, says the Reserve Bank, which in its announcement stated:

"The decision to continue to operate the bank on Eastern War Time is based largely upon the following considerations:

"1. War Time is in general use throughout the coutry.

"2. That it is desirable that this bank maintain the same hours as those of other Federals with which it does a large volume of business.

"3. That the area served by this bank covers portions of three other States which are not affected by the time change in Ohio.

"4. That more than 500 Fourth District banks with which we do business daily are located outside the State of Ohio and operate on War Time schedules.

"5. That many of our operations are geared to railroad schedules, and the railroads will continue to operate on Eastern War Time."

The decision of the Reserve Bank to adhere to Eastern War Time followed the signing of a bill on Feb. 17 passed by the Ohio Legislature setting the clocks back one hour in the State, changing them from Eastern War Time to Eastern Standard Time.

Recently the Georgia Legislature acted to change the time in the State from Eastern War Time to Central War Time, thus putting the clocks back one hour. The bill, signed by Gov. Arnall, provides, said the Associated Press, that the State will revert to Eastern Standard Time six months after the war —the date when congressionally-established "War Time" for the nation expires.

Under date of Feb. 15 Detroit advices to the New York "Times" stated: "Michigan today represented a kaleidoscopic pattern of time as part of the State's communities turned back their clocks an hour and the remainder, at least for the time being, stayed on Eastern War Time.

"The time change became official at 2 A. M. when a State legislative bill authorizing the return to slow time became effective. The confusion, however, resulted from the fact that the act contained a local option provision. As a result most of the larger population cities in Eastern Michigan elected to remain on fast time while the rural areas turned back an hour to Central War Time."

Earlier in the month, on Feb. 3, Donald M. Nelson, Chairman of the War Production Board, stated that any change in the present War Time, or Daylight Saving, statute "would result in serious detriment to war production," and that enactment of State legislation to change War Time "would have the same detrimental effect." The Associated Press at that time reported from Washington: "Mr. Nelson outlined his position in letters to Senator Ferguson (Rep., Mich.) and the Speaker of the Ohio House of Representatives.

Michigan has a new legislative Act which places the entire State on Central War Time and permits municipalities to remain on Eastern Time if they desire. Ohio likewise has a bill pending to move clocks back one hour, and last week Georgia moved from Eastern War Time to Central War Time.

"I fully realize that War Time has caused great inconvenience to farmers and to some States has worked great hardships," Mr. Nelson said. "Nevertheless, I feel that to abandon War Time would result in confusion and would bring about an increase in power requirements."

He said the War Time statute, which moved up clocks throughout the country one hour, resulted in a year's saving in electrical generating capacity of more than 1,000,000 kilowatts.

Guilbert Urges Action To Protect Food Army In 'Hazardous' Venture

A warning that immediate steps must be taken to guard the safety of the three million young men and women from cities who will move into farm areas this summer to help win America's critical food battle, was given on Feb. 20 at Peoria, Ill. by Harry Guilbert, safety director of The Pullman Company. Speaking before a farmers' cooperation association representing 40 central Illinois counties, he declared that "these high school and college students, most of them 14 to 18 years old and inexperienced in the ways of the farm, will be stepping into one of the country's most hazardous occupations." Mr. Guilbert, who is also midwest director of the National Committee for the Conservation of Manpower in War Industry, said that preparations are already being made by Government agencies and farm associations to give the "recruits" preliminary training, but he urged that proper safety educational measures be included as an essential part of this conditioning, asserting that the hazards can be eliminated with proper precautions and the vigorous cooperation of the farmer with the safety program. He stated that the occupational fatality rate on the nation's farms is much higher than industry as a whole estimating it to be more than twice as high as in manufacturing. Farmers lost 37 million days in 1941 because of accidents, he said. He blamed apathy on the part of workers and employers alike for the soaring accident rate which is "sabotaging all U. S. war production, in agriculture as well as manufacturing" and cited the fact that Pullman shops worked over 7,000,000 man-hours during 1942 with a perfect safety record as proof that "industrial accidents can be wiped out almost completely if scrupulous precautions are taken."

To Restore Civil Rule To Hawaii Government

An agreement providing for substantial restoration of control of civilian functions to the territorial government in Hawaii has been concluded between the War, Interior and Justice Departments and the Territorial Governor.

Under proclamations issued by Lieut. Gen. Delos C. Emmons, commanding officer of the Hawaiian department and military Governor of Hawaii, and Ingram Stainback, Territorial Governor, to become effective March 10, the military rule, which has been in effect since Dec. 7, 1941, is drastically modified.

However, the state of martial law remains in effect and the privilege of the writ of habeas corpus remains suspended.

Under the proclamations, the following 18 functions are restored to civilian authorities, according to Associated Press Honolulu advices:

1. Control of prices. 2. Rationing of commodities among civilians. 3. Control of hospitals, medical personnel and medical supplies. 4. Food production and distribution. 5. Control of rents.

6. Control of transportation and traffic by land except that General Emmons may prescribe rules of traffic for blackout hours. 7. Public health, sanitation and prevention of disease among civilians. 8. Licensing and regulation of hours of business. 9. Judical proceedings, criminal and civil, except any involving members of the armed forces. 10. Control of imports of civilians within the tonnage allotments made by the commanding general.

11. Censorship of mail from civilians in the territory. 12. Control of liquor and narcotics. 13. schools and children. 14. Custody of alien property. 15. Collection and disposition of garbage and waste. 16. Banking, currency and securities but provided that the commanding general may prescribe measures to prevent the enemy's obtaining or realizing upon them.

17. Civilian defense activities except the Civilian Defense Corps. 18. Control of the supply of employment and hours, wages and working conditions of labor except employees of the United States under the War Department or workers on construction of other projects under the War Department or Navy, or stevedores and other workers on docks or dock facilities, and employees of public utilities.

Plans to ease military rule in Hawaii were noted in these columns Jan. 28, page 381.

GENERAL CONTENTS

(Continued from first page)

1942 War Construction Twice 1941 Volume 843
United Nations to Discuss Post-War Problems 844
FDR Warns Against Over-Optimism 845
Ratio of Bank Deposits to Capital Lower in St. Louis Reserve District 845
Named to National Insurance Body. 845
Holland Resigns from WPB........ 845
Whitwell Heads Philadelphia Trade Group 845
FDR Opposes Bill Requiring Senate Approval of Federal Employees... 847
Repayment of Life Insurance Loans Up in 1942........ 847
Welles Discusses Oil Shipments to Spain 847
FDR Scores Interpretations of Stalin's Order 847
Eisenhower Made Full General..... 847
Factory Workers' Earnings Again Increases 848
Newspapers Raise Prices........ 848
Instructions on Late Ration Book One Registrations 848
Life Insurance Payments Lower in 1942 848
Bill Would Suspend Utility "Death Sentence" Rules 848
N. Y. Factory Work Hours Higher in 1942 848
Committee to Investigate Executive Agencies 848
Insolvent National Bank Dividends 848
Britain to Purchase South American Meat 852
N. Y. Cotton Textile Merchants Re-Elect Officers 852
Greek Church Honors FDR........ 852
Ordinary Life Insurance Showed Large Gain in 1942........ 853
WPB Defers Second Newsprint Cut.. 853
Head Russian War Relief Groups... 853
Named Chief Examiner at Detroit Reserve Branch 854
Cleveland Reserve Bank on Eastern War Times 856
U. S. War Casualties Total 65,380... 849
January Freight Truck Volume Up.. 842
Illinois Cuts Auto Collision Rates... 842
Proposes International Bank........ 846
Sees New Business Fields for Trust Institutions 846
United Nations to Consider Food Problems 846
Ill.-Wis. Home Loan Units Lead Bond Sales 846
March Proclaimed Red Cross Month 846
Lend-Lease Extended Until July, 1944 846
Industries Urge Repeal of Renegotiation Law 846
Moves to Halt Treasury Silver Purchases 846
Guilbert Urges Action to Protect Food Army 856
To Restore Civil Rule to Hawaii Government 856